

# *The* **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

## **JUVENILE WAR CLAIM**

A Michigan father swelled with pride when he announced on March 26, 1923 that a son had been born to him.

The wholesome food and the wide open spaces of farm life which followed provided an excellent setting that made this baby boy grow up into strong young manhood.

In 1929 the father was counseled by a Midland Mutual agent regarding life insurance on the life of this now six year old lad. The father purchased a Juvenile 20 Pay Life policy with the idea of giving his son a start in life. Perhaps the adjoining farm could be purchased when the boy grew up. The cash values in the policy would help him pay the mortgage.

On October 3, 1940, this boy enlisted in the United States Navy. After one year of training and a few months of service, this telegram reached his father: "The Navy Department deeply regrets to inform you that your son—Seaman, First Class, U. S. Navy, is missing following action in the performance of his duty and in the Service of his Country. Signed Rear Admiral——." Subsequently, his death was officially confirmed, and the death claim has been duly paid to his father and mother jointly.

The only certainty is uncertainty. Little do we know today what tomorrow holds—isn't this the reason our story is always new—isn't this the reason why business is always good for those who rightly tell the story?

*{ The Midland Mutual has a complete line of Juvenile }  
{ policies. Age limits, one day to fourteen years. }*

**The Midland Mutual Life  
Insurance Company**

**COLUMBUS, OHIO**

**FRIDAY, APRIL 24, 1942**

**Brand New!**

## **"CHILD HEALTH and CARE"**

**A widely useful, New "Door-opener"—that  
"GETS YOU IN"—under favorable circumstances!**

**O**NE of the most effective as well as fundamental life insurance approaches, as you know, is the appeal to parents regarding their young children. Every mother and father wants what is best for their youngsters and is glad to talk about them. Furthermore, there are some 25 million children age 10 or under. Thousands of agents have built substantial "family clients" through close attention to the children.

### **An Easy Approach to a Big Market!**

**W**HILE certain classes of prospects have recently been removed from the immediate picture, the *approach through children is stronger than ever*. Juvenile insurance itself is no "penny-ante" business—having great possibilities *right now* for almost every agent. More important, however, is that the Juvenile approach very often leads to adult business, too—so often in fact that many leading underwriters use this approach in nearly all cases.

### **Answers the Watchful Mother's Questions!**

**C**HILD HEALTH AND CARE fits right into this important picture. It is not just another "baby book"—but rather *a child book of real interest to parents* that runs far beyond the baby stage. It answers many of the health questions that worry every parent. It shows what simple and attractive foods supply the necessary vitamins. Furthermore, its use is *not limited* to approaches for Juvenile insurance.

### **A Quick Re-assuring Guide—that will be appreciated!**

**C**HILD HEALTH AND CARE is really a boiled down summary of essential information about children. Very different from anything else now available it will prove *most helpful in practically every family case—likewise* with grandparents, various child groups and with all prospects in the field of educating the youngsters.

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**To The National Underwriter Company  
420 East Fourth Street, Cincinnati**



# The NATIONAL UNDERWRITER

Forty-sixth Year—No. 17

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, APRIL 24, 1942.

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## Status Type Bill Is Approved by New York's Governor

**Allows Companies to  
Use Uniform War Clause  
in Most States**

NEW YORK—Governor Lehman has approved the bill permitting companies to use the "status" type of war exclusion for deaths outside of the United States and Canada and the "results" type within the United States and Canada. This allows companies to write their war clauses on a uniform basis in almost every state. Under the former law the only allowable basis for war exclusion in New York state was death resulting from military service.

Under the new law a clause can be issued which denies liability for death while the insured is in military service, no matter what the cause, if he is outside the United States and Canada. As for deaths occurring among members of the armed forces within the United States and Canada the governing factor is military service rather than enemy action. Thus, if a soldier were on leave and were struck by an aerial bomb the company would be liable. However, if he died as a result of being hit by an army truck during maneuvers, the company would not be liable, since death would be the result of military service.

The law also provides that in the event liability is voided because of a war clause the company must pay the reserve or the total of premiums, whichever is greater.

### Small Endowment Bill

There is pending in the legislature a bill which would, to some extent, take the place of industrial endowment policies, of which the legislature prohibited further issuance several years ago. Governor Lehman recently vetoed a bill which would have allowed the writing of industrial endowments on a monthly premium basis and with certain other limitations.

The new bill amends the law governing ordinary insurance to provide that endowments of 20 years or more could be written in amounts less than \$1,000 and need not contain policy loan provisions but must include the right of assignment to a bank or trust company as under section 163 of the present law applying to industrial policies. If approved by the governor the law would take effect immediately. In vetoing the monthly industrial endowment proposal Governor Lehman stated that if there is a need for \$250 or \$500 endowment policies it should be met by an adaptation of the ordinary contract. Consequently it is believed that he will act favorably on the new measure if it is passed by the assembly and the senate.

Governor Lehman has vetoed the Demo bill which would have required

## March Business Increases 1%

**Group Is Up 133 Per-  
cent; Ordinary and  
Industrial Are Off**

NEW YORK—New paid life insurance in March showed an increase of 1 percent over March of 1941, according to the Association of Life Insurance Presidents. Business in the first quarter was 25 percent greater than for the corresponding period of 1941.

Since most observers had expected a decline during March, following the big production of January and February, the record of an increase, although slight, was something of a surprise.

For March the new business as reported by the Life Presidents was \$652,459,000, compared with \$646,196,000. New ordinary insurance totaled \$413,898,000 against \$455,226,000, a decline of 9.1 percent. Industrial insurance decreased 5.5 percent, from \$148,978,000 a year ago to \$140,735,000. The big increase came in group insurance, of which \$97,826,000 was produced in March this year as against \$41,992,000 a year ago. This is an increase of 133 percent and sufficed to overcome the slackening off in the other two categories.

### Big First Quarter

New business in the first quarter totaled \$2,258,461,000, compared with \$1,806,998,000 in 1941. New ordinary insurance totaled \$1,674,281,000, as against \$1,275,101,000, an increase of 31.3 per cent. Industrial production was \$387,047,000 against \$411,602,000, a decline of 6 per cent, while group increased 63.9 per cent, being \$197,133,000 against \$120,295,000 a year ago.

The big increase for ordinary insurance in 1942 was recorded in January when the gain amounted to 91.4 percent over 1941. This dropped to 15.9 percent in February. Industrial insurance has been off from a year ago in all three months, the decline being 5.2 percent in January, and 7.1 percent in February. Group was 40 percent ahead in January and 16.2 percent in February.

Below are shown the totals for the three months for 1940, 1941 and 1942, with percentage of gains in 1941 and 1942:

	1941	1942	1941 Over 1942	1942 Over 1941
Jan.	\$72,443,000	\$95,353,000	—12.1	66.9
Feb.	\$88,359,000	\$50,649,000	4.8	10.6
Mar.	\$46,196,000	\$52,459,000	5.0	1.0
	1,806,998,000	2,258,461,000	—1.2	25.0

### RESEARCH BUREAU FIGURES

Production of ordinary life insurance in March was \$552,044,000, according to figures published by the Sales Research Bureau. This is 8 percent below March, 1941. All but two territories showed a decline. The east south central section

the giving of duplicate premium receipts to every assignee under a policy. He held that furnishing evidence of premium payment was the obligation of the borrower and not of the insurance company.

## Difficult to Get at Defense Workers

**All Are Enjoying Better  
Incomes and Can  
Pay for Insurance**

NEW YORK—Some of the life offices feel that the defense worker has been over-emphasized as a prospect. While it is true that a great many wage earners are enjoying larger incomes than they have ever had before and there is a great deal of additional money in circulation, it is difficult for the ordinary agent to contact these people because he has no way of getting their names. An exception to this is found in smaller towns where there may be one or two major plants which have war orders and a good many residents are known to the agent personally.

### Not Making the Calls

It is found that in the larger cities if the agent will keep on calling on the type of prospects he is accustomed to see, there is generally no difficulty in producing a satisfactory volume of business. As soon as it is found that business is falling off, or the agent goes into a slump, the trouble usually is that he is not making as many interviews. If the number of interviews falls off materially, the agent is bound to go into a slump.

### Industrial Contact Closer

A general agent who has been following the current situation closely believes that home offices and general agents have over-emphasized the importance of the defense worker. Although agents of industrial companies are getting a good share of this business, it is because the industrial man is in close contact with his policyholders and the condition is much the same as the ordinary agent who is living in a smaller town.

## Doolin Elected Chairman of Persistency Committee

L. J. Doolin, assistant manager of agencies Fidelity Mutual Life, was elected chairman of the Sales Research Bureau committee on persistent business. E. C. Kelly, Jr., assistant superintendent of agencies Home Life of New York, was elected vice-chairman. W. J. Nenner, superintendent of agencies Penn Mutual, was added to the committee.

recorded an increase of 1 percent and the Pacific area a gain of 4 percent.

For the year to date, according to the bureau, total ordinary production was \$2,188,235,000, an increase of 33 percent over the first three months of 1941.

### CANADIAN SALES INCREASE

New ordinary life insurance sales in Canada and Newfoundland totaled \$118,314,000, up 27 per cent, in the first quarter, according to the Canadian Life Officers Association. In March new ordinary sales were \$35,876,000, up 6 percent over the same month last year.

## Treasury's Pension Trust Tax Plans Strongly Opposed

**M. M. Goldstein Gives  
Interesting Talk Before  
Philadelphia Luncheon**

PHILADELPHIA — Complexities that would result from the adoption of the Treasury's proposal for a \$7,500 ceiling on pensions to which an employer contributed, if the contribution were to be allowed as a business expense, were discussed by M. M. Goldstein, general agent Connecticut Mutual Life, New York City, at the tax luncheon group's meeting here. This group includes lawyers, accountants and trust men.

Pointing out that the Treasury's ideas, as indicated by the statements of its tax adviser, Randolph Paul, are still in a state of development, Mr. Goldstein said that whereas the original proposal was to deny the tax incentive to any plan in which the employer's contributions were used toward the purchase of a pension of more than \$7,500 for anyone in the plan, Mr. Goldstein said that the Treasury is now willing to tax only the excess of the employer's contribution above that paid toward pensions of \$7,500. This in effect would tax the excess just as if it were added compensation to the employee and yet there would be no certainty that he would ever receive a pension greater than \$7,500, since he might die before it went into effect or he might withdraw from the plan.

### Gives N. A. L. U. Position

The position of the National Association of Life Underwriters, of whose law and legislation committee Mr. Goldstein is a member, is that there should be no maximum, since the employee will pay income tax on the pension when he eventually gets it. The income tax would not be defeated but merely deferred.

Mr. Goldstein warned of the danger of stifling initiative of important executives through attempts to set a ceiling on the pension which employing corporations could provide. Any damper on the efforts of these men would mean less profits for the corporations for which they work and less income on which other employees would pay taxes to the United States.

Mr. Goldstein also covered much the same ground as he did in his appearance before the House ways and means committee April 9. Questions from the audience indicated keen interest in the future of pension trust plans.

### Bushnell New York Speaker

Vance L. Bushnell, second vice-president of Equitable Society, will speak on "Today's Market for the Better Than Average Producer" at the April 29 luncheon meeting of the New York City C.L.U. chapter.

## Insurers Carry a Heavy Tax Load, Matthias Says

In relation to other classes of business and trade, insurance companies carry a substantially heavier tax burden, R. H. Matthias, of Ekern, Meyers & Matthias, Chicago law firm, told the Insurance Accounting & Statistical Association at its annual meeting and conference in St. Louis this week. These companies have suffered from the difficulty of determining their true income and the ease with which taxes can be levied and collected from insurers.

"As long as these taxes continue to be substantial and continue to increase," he commented, "the companies must continue to appropriate larger and larger portions of each premium for tax purposes in place of adding such premiums to the reserves of the companies."

### Also Pay All Regular Taxes

In addition to the specific insurance taxes, he said, they also are subject to all general property and other taxes imposed upon all persons in common. Although some states expressly have released insurers paying premium taxes from all other taxes except personal and real estate taxes, these latter two because of the larger holdings of insurers amount to an impressive figure.

It is becoming increasingly obvious to insurance men each year, Mr. Matthias said, that Chief Justice Marshall's statement that "the power to tax involves the power to destroy" embraces one of the fundamental dangers of the entire system of taxation.

He took up first income taxes applicable to insurers. Prior to the revenue act of 1921 all insurers were taxed in the same manner as all other corporations, the entire net income received from all sources by life as well as other carriers being subject to tax. Net premium income was included as part of gross income with claims paid under policies allowed as a deduction.

### Method Was Changed in 1921

In 1921 the radical change in method was made which has been continued to the present. In this, gross income of life companies was limited to investment income, premium income being eliminated as an element in calculating income tax, although in the various states they are, of course, subject to the premium tax. The theory was that life premiums were not income but simply additions to permanent capital investment.

Of express deductions allowed, those governing reserve fund allocation are peculiar to life companies, the underlying theory being that the probable investment income is considered in determining insurance rates; that if percentage of that income required to be allocated to reserves to meet policy liabilities was taxed, such reserve allocations would be inadequate and therefore higher rates would have to be charged to meet the deficiency as to pre-existing policies following the adoption of the tax on such income.

While the gross income as well as the net income of life companies differs from the income of other corporations including insurance, he said, the gross income of mutuals other than life since 1918 has been the same as other corporations. In addition to the investment income the gross income of mutual companies for tax purposes includes the net premium income and any gain or profit from the sale of assets or from any other source.

### Determining Taxable Income

Fluctuation of reserve funds required by law, statutory or departmental, is also considered in computing the net taxable income of mutual companies. Therefore if a decrease in such funds has occurred during the taxable year resulting in an addition to the free as-

sets of the company, taxable income has been received thereby which must be included in the gross income. If however, the decrease of such funds has resulted from the application of the reserves to the purpose for which they were established and required, no addition to the free assets of the company has resulted and therefore no taxable income has been received.

The statute and regulations with regard to the additional deductions allowed mutuals and inter-insurers other than life and marine have been in effect without change since 1918, he said. These companies are allowed to deduct from gross income the aggregate amount of premium deposits returned to their policyholders and those retained for payment of losses, expenses and reinsurance reserves. Premium deposits returned refer to those of the taxable year and the premium deposits retained refer to those held at the end of the taxable year for the purposes mentioned.

"It is apparent that the complex method of operation of insurance companies, whether life, stock or mutual, makes the positive determination of the company's net income an impossibility. The reserves required by law alone are not a sufficient safeguard against unpredictable losses and catastrophes. As a result, all companies must provide special or contingent reserve funds to guard against such occurrence.

### Decisions Always Against Insurer

"The problem of the deductibility of such funds, as well as similar items, is universally resolved against the company although their legitimacy and need as a necessary operating expense or item cannot be questioned. The wide variations in the company's premium and investment income premised in general upon ordinary financial conditions controlled only in part by dividends to policyholders, is granted insufficient consideration in the majority of the cases by the internal revenue code."

Mr. Matthias also took up effects of the federal and state social security taxes. Whether such taxes are applicable depends entirely upon the company organization, method of operation and method of payment, control, supervision and direction in reference to a particular agent or individual, Mr. Matthias said. The entire subject is left open by rulings and decision, which since they were made in specific cases are not governing as to other cases except in a general way.

### State Tax Runs Quite High

The state premium tax is the most important state tax imposed on insurers. It is found in all the states and the District of Columbia. There is little uniformity between the states in imposing this tax. Originally it was levied theoretically for support of insurance departments but now is imposed frankly for general revenue purposes. The highest tax rate on domestic companies is 3 percent, in Idaho. Foreign life companies invariably are taxed at a higher rate than domestic, ranging from 1½ to 4.65 percent. The general premium tax imposed on fire and casualty companies is about the same as for life.

The most confusing feature of the premium tax is lack of uniformity in classifying taxable premiums. Some premiums received are subject to double or triple taxation while other are not taxed.

Premium taxes probably represent over 75 percent, and perhaps as high as 90 percent, of the total tax liability of the insurers, Mr. Matthias said. The natural result of such a heavy burden is increase in cost of insurance to the insuring public. He said no other

## Barsantee of Travelers News Bureau into Service



HARRY BARSANTEE

Harry Barsantee, supervisor of the Travelers news bureau since 1936, has been ordered to an officers' training school at Miami Beach, Fla. He is a captain in the army air corps.

Mr. Barsantee, after graduating from the University of Wisconsin in 1926, entered newspaper work in Wisconsin. Subsequently he was with the publicity department of Consolidated Telephone Company of Wisconsin, and advertising manager of F. N. Kneeland & Co., Chicago, public utility underwriters and operators. From 1929 to 1936 Mr. Barsantee was associate publicity director of the National Safety Council. Among his duties with Travelers has been editing the booklet of street and highway accident data which the company publishes annually and which, at present, has reached a circulation of more than 2,000,000.

Mr. Barsantee is a widely known authority on highway safety and has frequently been a speaker and committee worker at national conventions of safety educators.

## 1941 Increase in R. I. for Companies and Fraternal

The 46 life insurance companies doing business in Rhode Island showed an increase in insurance in force in 1941 of \$47,006,616, according to a report of Insurance Commissioner Morin. This brought the total to \$857,372,803 at the end of the year. Total premiums received by the companies in 1941 were \$28,040,864, an increase of \$1,711,946 over the preceding year.

### Fraternal's Figure Increases

The 42 fraternal insurance societies authorized to do business in the state had insurance in force at the end of the year of \$25,288,011, compared with \$24,820,811. Their premiums were \$615,638 in 1941, compared with \$633,735 in 1940.

Based on a state population of 713,346, the per capita insurance in force at the end of last year was \$1,237, compared with \$1,170 the year before.

trade, business or profession is subjected to a tax burden comparable to the insurance premium tax. The assured assumes a tax not borne by the non-insured public. However, this tax is too well hidden and too painless ever to be abolished or perhaps even reduced, he said.

Insurance department fees, which now carry most departments and cover a multitude of subjects, in the aggregate are quite substantial and take a generous portion of each premium.

## Webster Reviews Underwriting Problems of Today

### Mutual Life's Assistant Manager of Selection Gives Timely Views

NEW YORK—Developments in the past five years in the underwriting field were discussed by A. C. Webster, assistant manager of selection, Mutual Life of New York, in an address before the Life Supervisors Association. The major changes have been the elimination of the extra premium charged for regularly scheduled aviation flights; a tendency toward fewer occupational ratings; improvement in medical selection methods through the use of cardiograms and x-rays and the underwriting problems which have arisen as a result of the war, Mr. Webster said.

Most problems of questionable coverages are decided by the courts, and a home office does not consider all of the possible circumstances which might arise in an individual case, he pointed out. The life insurance companies have been accused of being reluctant to face facts in regard to war risks. Obviously, the companies should not assume liability involving extra hazard unless they were to receive some recompense for it. Insurance is available from the government for the protection of war risks.

### State Laws Barrier

Mr. Webster said the Canadian and British companies had assumed war risks for an extra premium, up to \$90 per \$1,000. However, they are in a more favorable condition to do so as to the actual legal writing of a policy because of the multitude of state laws in this country. It is very difficult to determine what the extra premium for this war risk coverage should be. So far, there has been no appreciable increase in the mortality from war risk, in England the increase being less than 10 percent. Any company offering to write the business would find that there is an anti-selective coverage coming to it, Mr. Webster said. Some companies, he said, are considering the idea.

Companies are not willing to quote on transport fliers for the reason that they will eventually go into government service. A pilot in the ferry command told Mr. Webster that a pilot considered himself lucky if he lasted more than six months.

### Foreign Travel Problem

Foreign travel, Mr. Webster stated, is causing the most headaches at the present time for the underwriter. Most underwriters would like to exclude foreign travel entirely, but this cannot be done in New York state. In other states, there is generally no restriction permitted after two years. The large number of recent ship sinkings constitute a very definite hazard in this respect. An increasing number of civilians are being sent abroad on government business and Mr. Webster asked whether some form of government coverage should not be made available to those who are undertaking such missions.

Deaths among the civilian population based on the British experience have not been great, but it is possible that there will be a halt in the general improvement in mortality. In the boom defense towns there is danger of epidemics similar to that of 1918-1919. He added, however, that medical knowledge had increased greatly since that time and

(CONTINUED ON PAGE 6)



## Rumor Beha May Be Given Insurance Post in Washington

### Office Would Coordinate Insurance Activities of Government Bureaus

NEW YORK—Lively speculation occurred along "insurance row" here following the appearance of this brief item from the pen of Columnist Leonard Lyons, in the New York "Evening Post":

"The President is expected soon to establish, by executive order, a board to supervise the insurance companies. Jim Beha, who was New York state's superintendent of insurance during the reign of Governors Smith and Roosevelt, is being mentioned for the job."

This was news to James A. Beha as well as to readers of the paper generally, for if the President has any such purpose as that attributed to him by Mr. Lyons, he has not revealed it to Mr. Beha.

The fraternity is wondering just what is meant by "a board to supervise the insurance companies." Assuming there is some basis in fact for the report, one guess is that what is proposed is the creation of an office to coordinate the various bureaus in Washington dealing with insurance carriers. An office of such nature would undoubtedly appeal to Mr. Beha, who, it is understood, would be willing to sacrifice the growing law practice he has built up to work out a program.

After serving as superintendent of insurance for several years Mr. Beha was general manager of the National Bureau of Casualty & Surety Underwriters, resigning in 1937 to engage in private law practice.

### Imposing Program for C.L.U. Seminar in N. Y. C. May 15

NEW YORK—Changes being forced on American life by the nation's concentration on war will be the theme of the annual seminar on "Economic and Social Trends" sponsored by the New York C. L. U. chapter here May 15. After each address of the four prominent speakers on the program there will be a question and answer period.

Roswell Magill, tax expert and professor of law at Columbia University, former undersecretary of the Treasury, will discuss "Federal Taxation Trends." Mr. Magill, a director of Mutual Life of New York, is the author of many books on legal and taxation subjects.

Joseph C. Rovinsky, vice-president and director of Chase National Bank and assistant coordinator of Latin-American affairs for the government, will discuss "The Americas—a Review."

Dr. Alvin H. Hansen, professor of political economy at Harvard University and head of its department of public administration, will speak on "After the War—Full Employment."

John G. Parker, general manager and actuary of Imperial Life of Canada, will speak on "Life Insurance Under War Conditions."

### Help Blood Bank Campaign

The Hartford group of members in the Life Insurance Advertisers Association, represented by the five local life companies and the Life Insurance Sales Research Bureau, have volunteered their talent for the handling of publicity and promotion for the blood donor campaign of the Hartford County Blood Bank of the Red Cross.

## Linton and Wise at Milwaukee Muster

### Provident Mutual Officials Speak Before the Rate Book Men

M. A. Linton, president of Provident Mutual, addressed a meeting of the Milwaukee agency in that city. It was attended by General Agent C. A. Post and his associates. In addition to hearing Mr. Linton comment on the part life insurance plays in the present emergency, the group also heard W. K. Wise, vice-president.

"Where does life insurance stand in this picture?" Mr. Linton asked. "We know that the higher the price level when the breadwinner is called away, the more money will be required to meet family needs. If we should face a 100 percent increase in prices within five years, many families would need at least \$10,000 additional protection. Is there any way of providing that sum except by the method of life insurance?"

### Wise on Changing Market

Mr. Wise spoke on the question of "A Changing Market." "Generally speaking, no market has been lost to life insurance men," said Mr. Wise. "Within the various groups of the market we have always had, there have been important changes, and there have been substantial additions to the market through increased purchasing power. Uncertainties have always acted as a brake on the purchase of life insurance but present-day uncertainties, although they have the same effect, will result in substantial insurance policies when they are found to be translatable into new life insurance needs."

Mr. Wise also addressed a luncheon meeting of company representatives in Chicago on the same subject.

## Will Act Against Companies Using Misleading "Ads"

Insurance department officials representing the eight middle western states comprising Zone 4 determined at a meeting in Chicago Monday to launch an immediate investigation of radio, newspaper, mail order and magazine advertising that has been causing increasing concern because of its misleading claims and overstatement of benefits in policies offered.

In addition to immediate investigation of such advertising, which will have the purpose of correcting the abuses outlined, commissioners have voted to consider remedial legislation. The eight states represented in the zone, Michigan, Indiana, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota and Iowa, will actively cooperate to inform the insuring public fully as to the character, financial stability and practices of the companies guilty of such unethical activities.

Other problems of common interest to the eight states were discussed informally during the meeting, but no other action was taken.

Commissioner Johnson of Minnesota, chairman of the Zone 4 group, presided.

Those attending, in addition to Mr. Johnson, were Director Paul F. Jones, Assistant Director Nellis P. Parkinson, Arthur G. Smith, deputy in charge of the Chicago office, and Gordon Ramsay, in charge of pension funds, of the Illinois department; Commissioner Viehmann of Indiana with Deputy Commissioner Cramer; Commissioner Berry of Michigan; Al Burger of the Minnesota department, Commissioner Erickson of North Dakota, Commissioner Burt of South Dakota, and J. R. Lange and L. J. Yaude of the Wisconsin department. The Iowa department was not represented.

## Connecticut State Sales Congress Is Full of Meaty Talk

### Battery of New York City Speakers Appears on the Program

HARTFORD—The fifth annual sales congress of the Connecticut Life Underwriters Association was held here this week. There was an all-star cast. Miss Beatrice Jones, Equitable Society, president New York City Life Underwriters Association, spoke on "Life Insurance—A First Line of Defense." Isaac S. Kibrick, New York Life, Boston, member Million Dollar Round Table, had as his subject, "Selling Today's Market." Edgar Kobak, executive vice-president of the Blue Network, spoke on "Stuffed Shirt or Hair Shirt." W. L. Momen, New York City, Northwestern Mutual Life, spoke on "The Average Man Is Still Your Best Prospect." E. L. Reiley, Penn Mutual general agent New York City, had as his topic, "Why Do People Buy?" L. E. Simon, New York City, general agent Massachusetts Mutual, spoke on "Strategy in Selling."

### E. L. Reiley's Address

Agents must recognize that human beings act as a result of impulses the basis of which are emotions or instinct and not as a result of logical, intelligent consideration, said E. L. Reiley, general agent Penn Mutual, New York, in his address on "Analyzing the Buyer." People like to think that when they are faced with the need of making a decision, they carefully weigh all the factors involved, and having done so, pursue a given line of action only when impulses motivate them in the direction which logic has indicated. As a matter of fact, Mr. Reiley said, the impulse prompts the action after which facts are marshaled so that they justify the action which has already frequently been taken.

### Strong Emotional Appeal

Every good presentation must inject a strong emotional appeal which is calculated to arouse a buying impulse in order that action may take place. Equally important is the fact that the presentation must include all of the logic which is necessary to enable the buyer to justify his action by the rationalization process. A sales presentation must develop an emotional appeal or fail. A presentation which lacks logic may succeed, but it is a high pressure sale and results in a dissatisfied customer.

A prospect always has some pet objective that is just around the corner and which he hopes he can grasp soon, Mr. Reiley stated. Although life insurance will bring peace of mind and satisfaction, he is reluctant to have an interview because he realizes it may mean sacrificing a winter trip, a new car, a fur coat for the wife, or a summer camp for the children. The only way an agent can overcome this obstacle is to introduce into the approach an emotional appeal which is stronger than this fear.

### Twin Factors in Presentation

In any good presentation the twin factors are realization of needs and the solution or fulfillment of them which must be made crystal clear to the prospect. He should concur in the establishment of his needs to the extent of considering and reaching a conclusion as to their evaluation himself. He must understand clearly that the plan proposed will actually and

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## Tragic Difference

Here are the stories of two life insurance policies with certain similarities but with one tragic difference.

The first has to do with a policy of life insurance which was issued in July of 1941 to a young man in the defense industry, in Kansas.

In March, 1942, while driving on a weekend holiday, he and a friend met death in an automobile accident. The quarterly premiums had been paid to date, and a check for the life insurance proceeds promptly was delivered to the insured's parents, who, it happened, were in poor financial circumstances.

The second case was that of another young man in the defense industry in Kansas. This was issued in October of 1941. In January of 1942 the second quarterly premium was due, but the insured could not be induced to continue the insurance in force. He was soon to be married and in every possible way was saving money. The insurance lapsed.

On March 22 he was married. Exactly one week later the insured and his bride were killed in an accident.

Wrote the General Agent, "One of the hardest jobs we ever had was that of informing the parents that the policy had lapsed and had no value."

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## THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Urges Agents to Warn Policyholders of Inflation Risk

### Nadler Says Selling War Bonds and Insurance Is Not Enough

PHILADELPHIA—Life agents can contribute to the fight against inflation not only by selling war bonds and life insurance but also by pointing out to policyholders the danger that would ensue if farm prices are permitted to rise further and unreasonable demands on the part of labor for higher wages are granted. Dr. Marcus Nadler told the Philadelphia Life Underwriters Association. Dr. Nadler is professor of finance at New York University and consulting economist of the Central Hanover bank of New York City.

Until recently the increase in farm products prices was justified because they were substantially lower than those of manufactured goods, Dr. Nadler said. However, a further increase in prices is certainly not warranted and he said that the best way to combat this is to back the demands of President Roosevelt that the Commodity Credit Corporation have the power to sell agricultural commodities which it owns any time it is deemed necessary in order to avoid a sharp rise in agricultural prices.

#### Cites Canadian Experience

"Insurance companies, and particularly agents, can point out to policyholders who are interested in maintaining the stability of the purchasing power of the United States currency the great necessity of freezing prices as well as wages," Dr. Nadler said. "Canada has successfully employed this experiment and there is no reason why we should not succeed. To be sure, freezing of prices and of wages may cause certain inequities and injustices but these are by far smaller than those which would be created by inflation."

Dr. Nadler said that the nation has fully awakened to the inflation danger and it is reasonable to hope that before long legislation will be passed which will definitely eliminate this menace. Such action will not only help to intensify the war effort but will also make the post-war reconstruction period much easier, he said.

#### More Than Rising Prices

Inflation, Dr. Nadler warned, is not merely an economic phenomenon represented by a sharp increase in commodity prices but is probably one of the most deadly economic diseases that can befall any nation. Wherever it has occurred in drastic form it has wiped out the middle class, which is the backbone of every country, and once this occurs a nation is subject to great economic and social changes. Defeating the forces of inflation threatening the American way of life, therefore, is as important as the defeating of the Axis powers.

While the nation as a whole is interested in the problem of inflation because almost everybody is a creditor, either as the owner of a life insurance policy, a savings bank depositor, or a holder of government bonds, the life companies, as the largest savings institution of the country, are perhaps more interested in the dangers of inflation than any other group, said Dr. Nadler. A sharp rise in commodity prices would reduce the purchasing power of the currency and would therefore greatly reduce the monetary value of insurance. Though the federal deficit will have to be increased because war expenditures

## Action of Eastern Commissioners Is Set Forth

The formula on convention examinations adopted by insurance commissioners of Zone 1 at their meeting in Hartford recently is set forth herewith in more detail than in last week's issue.

The commissioners adopted a resolution providing that each state department file with the chairman of the examinations committee of the National Association of Insurance Commissioners, and with the chairman of its respective zone, the names of examiners eligible for assignment to represent the particular zone on convention examinations. The department will furnish information on the salary or other compensation regularly paid to such examiner, "and show his length of service with the department, and if less than five years, his previous occupation, and which must be at least five years as an examiner of another insurance department or the equivalent."

Credentials are to be furnished an assigned examiner both by his home state department and the chairman of the zone. His compensation is not to exceed 20 per cent of his regular compensation, subject to a maximum of \$600 per month, plus necessary expenses.

#### Will Recommend Formula

This formula will be recommended to the N.A.I.C. at its Denver meeting in June.

The Hartford meeting was in charge of Commissioner Blackall, and attended by insurance department officials of New York, New Jersey, Massachusetts, Rhode Island, New Hampshire, Vermont and Connecticut.

While commissioners indicated they had no authority to waive any reports that are absolutely required under state laws, it was the sense of the meeting that the committee on blanks of the N.A.I.C. should resist as much as possible any changes in the blanks this year and discourage the sending out of too many questionnaires. Commissioner Morin of Rhode Island said that he had already agreed to accept certain filings of rates from associations and groups instead of having the companies themselves members of the association each filing his own individual rate in view of the uniformity adopted by the group.

Commissioners were guests of Fragar B. Wilde, president Connecticut General Life, at a luncheon attended by representatives of all the companies in Hartford.

#### Effect on Pension Plan

President W. S. Gifford, American Telephone & Telegraph Co., stated that if the Treasury tax proposals for 1942 become a law it will seriously affect telephone rates. The taxes would reduce earnings an additional \$4 a share. He said that the Bell system pension plan which has been in operation 29 years may have to be discontinued if the Treasury's proposed taxes are adopted. The employees make no contribution whatever to this plan.

are too great to be met out of taxes alone, Dr. Nadler said that the deficit is inflationary only when government bonds are sold to the banks. If ultimate investors purchase the bonds it is not inflationary because it does not lead to an increase in the volume of deposits and as individuals or institutions other than commercial banks buy government bonds out of current income purchasing power is reduced.

J. P. Heinen, superintendent of Milwaukee District 5 of Prudential, was honored at a banquet in celebration of 25 years of service.

## Chief Purchasers of Insurance the First Quarter

Managers and executives led all other occupational groups both in number of big policies and in total volume thus purchased during the first quarter of 1942, according to the Lincoln National Life quarterly survey of buyers of life insurance policies for \$10,000 or more.

The groups listed according to number of big policies bought were: Managers and executives, individual proprietors, professional men, salesmen, students, skilled workers, clerks and housewives.

Listed according to volume, the groups were: Managers and executives, professional men, individual proprietors, salesmen, skilled workers, farmers, clerks, students, and housewives.

#### Bare Supervisor for Payton

Bruce Bare has been appointed agency supervisor of the Albert E. Payton agency of New England Mutual Life in Los Angeles. He started with New England Mutual on Omaha in 1935 following his graduation from Grinnell

College. He joined the Payton agency in 1938 and has served as brokerage manager, also being one of its outstanding personal producers. He won his C. L. U. degree in 1940. His father has been a New England Mutual district manager for nearly 30 years.

#### Regionals for American United

Underwriting problems under war conditions will be discussed at district sales meetings being held from April 21 to May 7 in the eastern states of American United Life territory.

Meetings were held this week in Lansing, Mich., Detroit, Toledo and Cleveland.

C. F. Barney and John Ulrey of the home office underwriting department are in charge of discussions and Douglas S. Felt, superintendent of agencies in the eastern division, is general chairman.

The Northwestern Mutual male chorus of 50 home office employees presented a program at Ft. Sheridan, Ill., Sunday evening, April 19.

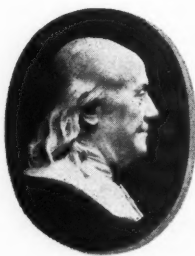
Edwin W. Baker, Louisville manager John Hancock Mutual, was married to Miss Grace Tooley, executive secretary of the Kentucky Hotel Association.

## "Calling

## Podunk One Ny-an Fourrr Two"

¶ The name may be Podunk, Squeedunk, or Punkin' Centre. But to the city slicker it always implied amused reference to the small town. Podunk was the "wrong number."

¶ But today the small town is plugged to America's trunk lines and enjoys real prosperity. Since tires became heirlooms, people buy from the local merchants, and money stays at home. For the small town agent with a Franklin direct-with-the-Home Office General Agency contract, 1942 offers the opportunity of a life-time. And it's not a "wrong number."



The Friendly  
**FRANKLIN  
LIFE INSURANCE  
COMPANY**

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Insurance in Force Exceeds \$225,000,000.00



## Walter M. Christensen Fatally Injured in Fall

Funeral services were held in White-water, Wis., Thursday for Walter M. Christensen, 38,

who was fatally injured in a fall from a sixth floor window of the San Juan Hotel in Orlando, Fla., last Sunday evening. Mr. Christensen, resident manager in Atlanta for THE NATIONAL UNDERWRITER, was in Florida on a business trip for his company. He had driven to Orlando from Jacksonville earlier in the day. He had called from his room to have his laundry picked up by the hotel, and shortly after that was done others in nearby rooms heard a groaning noise from Mr. Christensen's room. They notified the hotel, but the hotel employee sent to investigate was unable to gain entry to the room, and Mr. Christensen was still heard to be groaning. Additional aid was sought and the door was removed from its hinges. However, by the time that was done Mr. Christensen had fallen from a window, which, according to reports, ran all the way to the floor.

The Atlanta "Journal" quoted Coroner Duckworth of Orlando as stating that there were indications that Mr. Christensen had sought to open his window and had plunged to an overhanging balcony six floors below.

Donald B. Christensen of Chicago, a brother, went to Atlanta by plane and accompanied Mrs. Christensen and her daughter, Jean, to Whitewater.

At the request of THE NATIONAL UNDERWRITER, Walter L. Hayes, president of American Fire & Casualty of Orlando, looked after the necessary details there.

Mr. Christensen had spent most of his business career in insurance publishing, having traveled extensively for the Insurance Producers Bulletins of Chicago before joining THE NATIONAL UNDERWRITER in 1934, at which time he was appointed resident manager of THE NATIONAL UNDERWRITER at Atlanta with supervision of its business activities in the southeastern states. He is survived by Mrs. Christensen and two daughters, Jean and Shirley.

## Federal Estate Tax Situation Clarified by Qualifying Clause

An item in the April 10 issue on the dropping of insurance by wealthy policyholders for fear it would be subject to estate tax made it appear, because of the omission of a qualifying clause, that Treasury decision 5032 made the question of who paid the premiums the sole criterion of taxability. Actually, while the decision makes this the yardstick for the portion of the insurance attributable to premiums paid before Jan. 10, 1941, the decision's effective date, it would apply to the portion of the insurance attributable to premiums paid before Jan. 10, 1941, only in cases where the insured had retained some incident of ownership after that date.

What is causing the dropping of insurance or conversion to paid-up is the insured's discovery that Treasury decision 5032 exists and that he has had some incident of ownership since Jan. 10, 1941.

## Teachers Protective Correction

The surplus to policyholders of Teachers Protective Union of Lancaster, Pa., is shown as \$174,832 in the 1942 Argus Casualty Chart. The correct figure is \$773,040, the difference being represented by the special old age benefit re-

serve which by mistake was not included as surplus to policyholders for 1941, although it had been in previous years.

## Ohio Bar Insurance Section Meets

An insurance section session was held in connection with the spring meeting of the Ohio State Bar Association. Robert M. Noll, Marietta, spoke on "The effect of the trading with the enemy act and the freezing orders of the federal government on settlement of claims and on present and threatened litigation."

Leonard H. Davis of Cleveland spoke on "Liability insurance litigation in war time—the soldiers and sailors relief act of 1940 and the restricted military zones."

## Gabrielson Assistant Secretary

H. E. Gabrielson, who has been in the investment department of Guarantee Mutual Life since February, 1927, has been elected assistant secretary and also made a member of the board. He is a native of Omaha and graduated at the University of Nebraska. He has been

with the Guarantee Mutual since leaving college. He has taken an active interest in the Omaha junior chamber of commerce and the Nebraska Insurance Institute.

## Church Conducts Refresher Course

C. H. Church, manager of Travelers for Kansas and western Missouri, conducted a "refresher course" in Wichita and Kansas City. Stress was laid on "Today's Market," particularly with reference to mass market, group, wholesale, salary savings and sales to women.



W. M. Christensen

# Mutual Life

## NOW ISSUES INSURANCE ON

### SUBSTANDARD RISKS, AS WELL AS STANDARD AND PREFERRED RISKS

## The Mutual Life

### Insurance Company

"FIRST IN AMERICA"

LEWIS W. DOUGLAS, PRESIDENT

1843—FIRST POLICY ISSUED  
1942—MORE THAN 900,000  
POLICYHOLDERS

## OF NEW YORK

34 NASSAU STREET • NEW YORK CITY

★ MUTUAL LIFE MOVES FORWARD TO ITS SECOND CENTURY ★

## F. L. Merritt to National of Vt.

Francis L. Merritt, until recently vice-president and agency manager of Monarch Life, Springfield, Mass., has been elected assistant director of agencies of National Life of Vermont.

Mr. Merritt has a wide practical knowledge of life insurance selling.



FRANCIS L. MERRITT

agency supervision and home office agency management. He is a member of the executive committee of the Association of Life Agency Officers and has spoken before life underwriters groups on many occasions. He returns to his native state, as he was born in Morrisville, Vt.

After mercantile, accounting and manufacturing experience, he served in the first world war in the motor transport division. He entered life insurance in 1927 at Springfield, Mass., with Connecticut Mutual Life, associated with W. J. Stoessel, who is now general agent of National Life in Los Angeles. Mr. Merritt was among the leaders of Connecticut Mutual in both lives and volume and spent considerable time in recruiting and supervisory work.

He joined Monarch Life in December, 1932, as home office supervisor. He served successively as superintendent of agencies, manager of agencies and vice-president in charge of agency activities. He was a strong advocate of full-time trained men and effected striking reductions in the number of the company's agents and at the same time more than doubled production. He has personally conducted many regional schools for the training of both salesmen and general agents. He was active in the Health & Accident Underwriters Conference for many years, serving on the agency management committee for five years and last year was chairman of that committee.

## Webster Reviews Problems of Today

(CONTINUED FROM PAGE 2)

doctors were better able to cope with any condition which might arise.

The war worker is possibly in the best position at the present time as a life insurance prospect as regards surplus cash. Salaried prospects are tending to cut down on their expenditures, Mr. Webster said. There are two types of war workers: First, the genuine skilled artisan who through no fault of his own has been out of work for a number of years and secondly, large numbers of the floater or drifter type who are not good life insurance prospects. War time conditions have caused a problem in occupation underwriting because it is practically impossible to find out what the

## RECORDS

**Great-West Life**—The speed up in business across the country is reflected in its sales force which has just completed one of the best first quarters in its history. The results from January to March show a steady increase in placed business production. That the gain is widespread is evidenced by the fact that 25 branches recorded gains over the corresponding period last year. The Chicago agency led for two of the first three months and finished up as leader for the quarter.

**Security Mutual Life, N. Y.**—Reports the best March in 11 years for paid business, which put the company 22 per cent ahead for the first quarter as compared with 1941.

**Indianapolis Life**—The gain in insurance in force in the first quarter was practically double the first quarter last year. New paid business was 22 per cent ahead. The renewal lapse ratio was only 2.65 per cent. Mortality was 33.6 per cent of expected. New business submitted during March was 32 per cent ahead of March last year.

**Old Line Life of America**—Reports an increase of 30.9 percent in new paid for life insurance in the first quarter. Accident and health premiums were 2.93 percent ahead.

**Bankers National Life**—Gained 36.1 percent in new business in the first quarter.

nature of the worker's job is because of the great amount of secrecy in war work and the underwriter is not sure of the hazards involved.

### Trend to Small Incomes

The trend in the life insurance market is going towards the smaller incomes, Mr. Webster declared. The large risk has the problem of heavy taxation. In the last war, the larger risks were accepted freely and turned sour in the depression. Today, Mr. Webster said that the large risks must be looked at with a microscope. The problem is to pick good risks. Such risks are of two types, the old established group which is making good profits, and secondly, the newcomers in the field.

At the present time, Mr. Webster said there is a little more tendency among underwriters to be concerned about the business coming from the agents of other companies. Brokerage business, he said, could be accurately divided into the two classes of good and bad.

Mr. Webster referred to the proposed withdrawal of the \$40,000 life insurance exemption in the new tax bill. There has been some agitation he said for a life insurance exemption similar to that in England under which up to one-sixth of income paid for life insurance premiums may be taken credit for in the income tax.

At the present time, in considering large risks, gross income is taken as a standard. However, as a risk nears the limit, the underwriter is more inclined to hedge. Underwriters are a little more liberal in accepting term policies than they were previously.

President W. C. Smerling, Berkshire, presided. The club's annual outing will be held in June in Westchester county. E. O. Wittmer, assistant manager Kakyannis agency of the Prudential, who is resigning to become a first lieutenant in the army, was introduced. Marshall Cleaves, underwriting secretary Home Life, was a guest.

### Travelers Men's Club Elects

HARTFORD—W. F. Robotham, assistant underwriter in the accident department, was elected president of the Travelers Men's Club. About 3,000 employees attended the meeting.

Howard S. Wilson, president of Bankers Life of Nebraska, has been elected vice-president of the directors of the Lincoln General Hospital.

## New York Life Outlines Plan for Men in Service

New York Life has announced the basis on which it will protect the standing of its agents drawing income under its "NYLIC" compensation plan who leave to go into the armed forces but who have not yet qualified for 20 consecutive years to become "Senior NYLICs" with a guaranteed life income. The "drawing" NYLIC going into service will receive a lump sum payment equal to three months NYLIC income at his current rate and this will not be deducted from his NYLIC income on his return. This income will resume just where it left off.

### Death and Other Benefits

Besides the regular death benefit of six months' NYLIC income and the additional mortuary benefits which the directors have customarily voted for many years, the board has voted payment of six months' NYLIC income to NYLIC members who may die while on leave with the armed forces.

Where an agent returning from service feels he needs a few months to pick up the threads of his business he may in effect lengthen his current NYLIC year

by as much as six months. Though he will receive no NYLIC income for these extra months they will enable him to bring up his average production so that his future NYLIC earning will not be affected adversely, since persistency of business is a factor in NYLIC income and adjustment will be made so that the longer period of exposure due to the agent's being on leave will not work against him.

Senior NYLICs, who receive a guaranteed life income, will of course continue to receive their NYLIC income as at present.

Lester L. Johnson, vice-president and director of agencies of Central Life of Illinois, returned this week from a month's vacation with his wife at Hollywood, Fla. While visiting Howard Hooker, Fort Lauderdale insurance agent, he met an old friend, Jack Hoffman, general agent of Connecticut General at Cleveland, whom he had not seen for more than 10 years.

H. M. Faser, vice-president and agency director of Lamar Life, addressed the Career Conference at the University of Mississippi on "Careers in Insurance and Related Fields."

33 Years  
of  
Friendly Service  
to  
Policyholders and Fieldmen

THE  
OHIO NATIONAL  
LIFE INSURANCE  
COMPANY

CINCINNATI, OHIO T. W. APPLEBY, President



## Industrial Man Is Now Having His Innings

Although the problems occasioned by the war among industrial offices have been many, they are not nearly as momentous as those facing the exclusively ordinary offices. The inherent advantages of the industrial system are standing it in good stead in the troubled situation which has been caused by the war. Among these advantages are: A collection or conservation salary which provides a substantial basis for the agent on which to build up a nice income from new business; careful supervision by the manager and assistant managers which enables the agent to get help immediately when he is in trouble; weekly accounting of the agent's operations which enables the manager to keep a careful check on the agent and tells him when he is in difficulty and a small, compact territory in which the agent is well known and enabled to get on a friendly basis with his policyholders.

Last year resulted in a \$2,000,000,000 ordinary increase for all industrial companies. The industrial companies are giving their men adequate training preparatory to going into the business, following it up with a continuing supervision.

### Recruiting Pressure Absent

Industrial offices are not under the recruiting pressure which is being felt in many ordinary offices. In the first place, industrial offices have found that the best records are usually made by family men who have responsibilities and are anxious to make good. There has been no wholesale recruiting among college graduates, younger men, as is the case in many ordinary offices with the result that so far, only a small percentage of industrial agents have been called to military service. Ordinary offices were attracted to younger men because they were just starting out in life and it was not as difficult to finance them through the breaking in period.

### Writes Ordinary on Debit

Although the industrial man is not usually restricted in his ordinary writing to the debit as he is with industrial, his entry into the homes where he had small weekly premium and ordinary policies has tended to concentrate a large percent of his ordinary business on the families who reside in the area of his debit. Because of the contemplated gasoline rationing and rubber shortage, ordinary agents are finding it necessary to concentrate their activities to a central locality and already there has been considerable exchanging of policyholders and prospects when it is found difficult to make calls when the prospect is located some distance from the usual field of operations.

### Additional Advantage

The industrial man has an additional advantage in that the present market for life insurance is largely among the group which he has been contacting every week and where he possibly already has some weekly premium or smaller ordinary policies in force. Through his close contact with the families, the industrial man knows when some member of the family gets a good job in a defense plant. By simply asking, Mrs. Jones will tell him that Mr. Smith, down the street, who has not worked steadily for years, is earning big money in a war industry. One of the big problems of the ordinary agent in writing the skilled and unskilled workers who make up the new life insurance market is the fact that it is difficult to find out who the workers are and where they live. Such information is practically impossible to get from the employer directly unless the agent is able to make contact with a center of influence at the plant.

The question of pensions and additional renewal compensation, which have

been vital matters in the ordinary field, have been solved by the industrial companies for some time.

In the larger cities where transportation is good the ordinary agent has not had great difficulty in making calls. However, when he has a large territory and scattered prospects, he has much the same problem as the industrial man, who have a rural or scattered debit, only more acute.

### Breadwinner's Wife

Industrial men have certainly one of the more important centers of influence than any agent could have, the breadwinner's wife. The fact that a wife is sold on life insurance and wants her husband to have its protection for their family is a cogent reason why the breadwinner should be interested in listening to the agent's proposals. It is customary to work long hours in defense plants and it is often hard to see the wage earner. However, the industrial man has seen a great many of them and selling a substantial amount of ordinary.

In the future, he will undoubtedly sell considerably more.

Whether the agent writes both weekly premium and ordinary or ordinary only, the first emphasis is certainly upon more planning, greater systematizing of work, and in the elimination of as many unnecessary calls as possible. The present situation requires that appointments be made whenever possible, the telephone used when it is possible to save calls or time and that calls be arranged in route form to save waste, time and motion.

The industrial agent has a marvelous opportunity to give his assured a better service, to increase his earnings, and to do a complete job of providing a good life insurance program for the average family if he will work hard and intelligently, have faith in the future of the business, and recognize that he is a constructive and potent force in promoting the national welfare.

### Ill. Department Reports on Pullman Porters

The Illinois department has issued the report of an examination of Pullman Porters Benefit Association, Chicago, showing assets \$271,639 and contingency reserves \$265,794. This is a fraternal, one of whose objects is "to mutually improve and uplift the moral and

financial condition of its membership, thereby elevating the service and employment in which they are engaged and rendering the same attractive to the best elements of the Negro race."

The association issues insurance contracts in amounts of \$500 or \$1,000 on life and health contingencies on a group plan to Negro employees of the Pullman company under 45 years of age. Assets are collected by payroll deduction and current rates for members up to age 45 are \$2.35 per month. Upon attaining age 45, the rate automatically increases to \$2.65.

There is a system of decreasing death benefits after age 45. The weekly sick and accident benefits are on the monthly renewable term plan. There is a seven-day waiting period to members under 60 and there is a limit of 12 weeks for any one continuous disability or an aggregate of 12 weeks in any one year prior to age 60. Over age 60 the duration is reduced to eight weeks. The benefits are either \$9 or \$4.50 per week.

In 1941 premiums amounted to \$134,752, death claims \$84,080 and sickness and accident claims \$39,975.

Mrs. Katherine E. Mershon addressed the Life Agency Cashiers Association of Los Angeles on "Bali Before the Invasion." She lived there for ten years.

## "YOU TOO?"

When an LNL General Agent asks, "You too?" he knows his newly contracted field man has a splendid chance to hang out his own shingle and succeed.

Like the 22 LNL men described in

the booklet, every LNL field man has back of him a complete kit of business tools, a trained supervisory staff, and a progressive Company—solid foundations for a successful career in a business of his own.

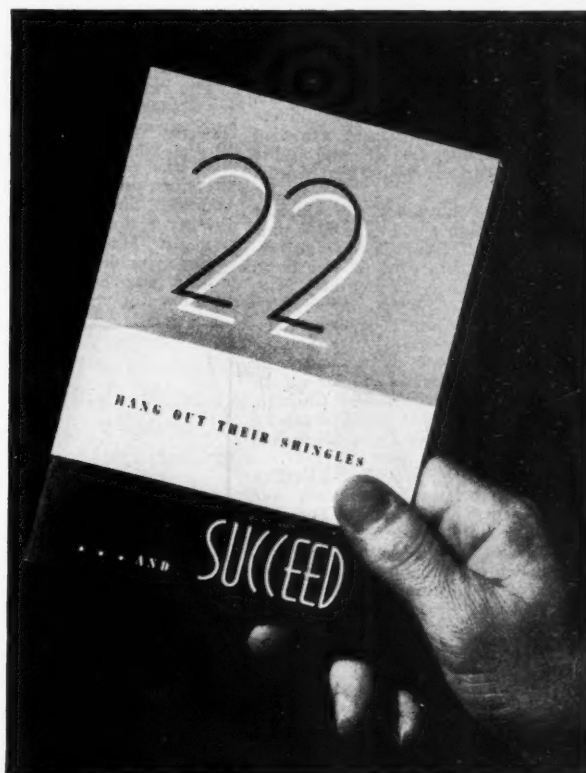
## THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne



Indiana

Geared To Help Its Fieldmen



## New Illinois President Has Made Rapid Strides



FREDERICK A. SCHNELL

Frederick A. Schnell, Peoria, Ill., general agent of Penn Mutual, who was elected president of the Illinois State Association of Life Underwriters at the Chicago annual meeting, has been in the life insurance business for 10 years and has made an outstanding record.

He was born in Canton, Ill., July 30, 1910, and was graduated from University of Illinois in 1932, having attended the commerce college. He entered life insurance immediately with Penn Mutual in Chicago.

In 1933 he qualified for the Quarter Million Dollar club and in the first nine months of 1934 again met club requirements. He was sent to Peoria as district manager in September with supervision of 18 counties. Penn Mutual was securing about \$500,000 of business per year from that district. Soon it increased to \$1,800,000. Jan. 1, 1937, he was appointed general agent for all Illinois outside of metropolitan Chicago.

The Schnell agency has ranked among the first 10 agencies in Penn Mutual in production each year since 1937.

Mr. Schnell is past president Life Underwriters Association of Peoria and General Agents & Managers Division. He is a national committeeman to the National Association of Life Underwriters from Peoria. He was second vice-president of the Illinois association in 1940-41, and first vice-president last year. He also has been active in community affairs and is general campaign chairman of the 1942 war chest fund in Peoria.

## Joint Committee on Taxes Meets Again in Chicago

Another meeting of the joint committee on taxation of the Life Presidents Association and American Life Convention was held this week in Chicago. A technical committee has been collecting data from life companies in support of its views as to how the portion of the proposed federal revenue measure affecting life insurance should be written. It was said among other things considered was the progress of this committee.

It is likely the tax committees of the two company organizations will go to Washington before May 1 to present their views to Congressional leaders and government officials. One of the moot points is inequity which results in applying the taxes as between large eastern companies and smaller ones of the central west.

The House ways and means committee started work Wednesday on the new tax bill. President Roosevelt is expected to send his revenue message to Congress next week. Until his views are received it is not known what money-raising measures will be required. Insurance men are awaiting the word with great interest this year.

## Actuarial Society to Meet May 14-15 in New York

The annual meeting of the Actuarial Society of America will be held May 14-15 at the Waldorf-Astoria Hotel in New York City. John M. Laird, retiring president of the society and vice-president of Connecticut General Life, will be in charge.

The program will include presentation of new papers, discussion of the papers presented at the fall meeting and informal discussion of topics of current interest.

Officers will be elected along with four members of the council to succeed those retiring.

## Honor A. F. Hall in May

Lincoln National Life will celebrate May as Hall Month in honor of Arthur F. Hall, founder of the company and chairman of the board, for the 32nd year. A traditional nation-wide contest will again be sponsored. Agents will compete for the Hall Month trophy and prizes. Agencies will compete for Hall Month plaques.

## Interesting Tax Case in Texas

Under the community property law of Texas Federal Judge Atwell ordered the return of \$2,878 paid as estate taxes to Mrs. Gertrude F. Doyle as part of the tax on her first husband's estate, for which she was the executrix.

The case involved an insurance policy for \$75,000 taken out jointly by the Fosters, on which each paid half, according to the testimony. Judge Atwell ruled that this was community property and therefore only half would be subject to taxation. Since \$40,000 is not subject to the tax, and since half of the \$75,000 was paid by Mrs. Doyle herself, the remainder, which had been paid by Mr. Foster, was less than \$40,000 and therefore exempt.

## Agencies Awarded Certificates

### CERTIFICATE OF ACHIEVEMENT



THIS CERTIFICATE IS AWARDED TO

in recognition of its outstanding record as  
one of the leading Agencies of the  
Connecticut General Life Insurance Company for the year

THIS LEADERSHIP is based upon ~ ~ ~ ~

- Paid premiums and paid volume from new organization, old organization, all others, and the agency total in relation to its previous year's results ~ ~
- Number of qualified Honor Roll agents in relation to number qualified in past years and to the total number of full time men ~ ~ ~ ~
- Total new paid accident and

health premiums and the total of such premiums, new and renewal in relation to the previous year's results

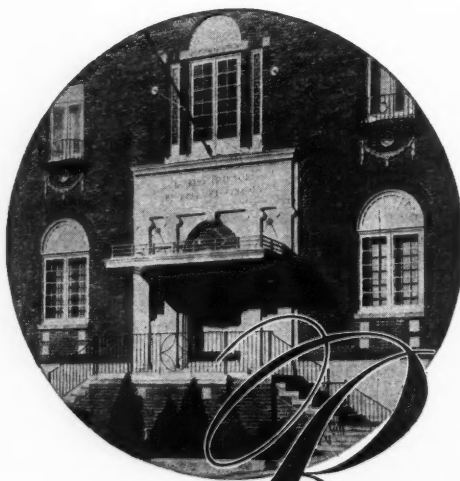
- Total life insurance in force and the relation of preventable terminations and of total terminations to the amount of insurance in force at the beginning of the year
- Representation of the Company in all lines, life, accident and health, and group ~
- A favorable agency expense ratio

Five agencies of Connecticut General were chosen to receive certificates of achievement for outstanding performance in 1941: R. A. Briggs agency of Montpelier, Vt.; W. G. Gastil agency, Los Angeles; Hugh Kemp agency, Pittsburgh; R. E. Larkin agency, New York City and S. F. Smith agency, Philadelphia.

In order to receive this recognition an agency must show progress in paid premiums, life, accident and health, and in volume from new organization, old organization and total from the agency in

relation to the previous year's results. Paid life volume from new organization must be at least 10 percent of the total. A minimum number of agents must qualify for the honor roll. Insurance in force in the agency must show an increase and there must be adequate representation in all lines written. A low lapse rate and a low expense ratio are also necessary.

Albert Hirst's booklet "When a Man Dies" should be in the hands of every one of your large clients. Four copies \$1. Order from National Underwriter.



There is a Bankers National policy to fit every need which, coupled with a friendly, efficient agency department, assures success. If you can measure up to the high standards of this company, we will be glad to discuss the possibilities of an agency connection for your territory.

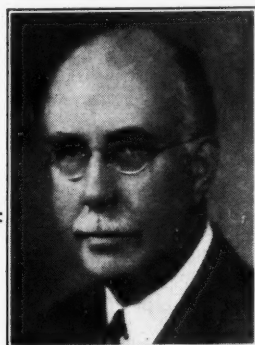
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Ralph R. Lounsbury, President  
W. J. Sieger, V. P. & Supt. of Agencies

## NATIONAL LIFE

Insurance Company . . . . . Montclair, N. J.





Abner Thorp, Jr.  
Managing Editor



E. F. Gray  
Business Manager



A. R. Jaqua  
Associate Editor



Hal Nutt  
Associate Editor

## Managers and General Agents!

We have set aside the period from May 1 to May 31 as "D. L. B. Service Month", and during that time your friend, the National Underwriter salesman in your territory, will call upon you to find out whether or not The Diamond Life Bulletins can offer you any additional help in connection with the various problems you will have to face and solve during the war emergency.

For twenty-three years, during war and peace and in good times and bad, we have tried to do everything possible to make the job of the Manager a little easier and a little more profitable.

And now that the usual difficulties of operating an Agency have been made more acute than ever before, we have asked our salesmen during the month of May to concentrate almost exclusively on *the problems of the Life Managers* and to explain briefly what we can do to help you get more business from those Agents not inducted into military service.

We believe that you will find it profitable to talk with our salesman when he calls. This is *not* just a routine call. Our salesmen have been specially trained for this occasion. We shall appreciate any courtesy extended.

## THE NATIONAL UNDERWRITER COMPANY

420 East Fourth Street, Cincinnati, Ohio



F. W. Bland



R. J. Chapman



J. T. Curtin



W. J. Smyth



W. A. Scanlon



G. C. Roeding



A. S. Cutler



A. J. Edwards



M. B. Flanders



E. H. Fredrikson



E. E. Hess



F. B. Humphrey



R. W. Landstrom



R. E. Richman

## NEW YORK

### FRASER HEADS NAVY GROUP

J. M. Fraser, general agent Connecticut Mutual Life, New York City, has been appointed chairman of the life insurance agents' and general agents' committee of the Navy Relief Society. Mr. Fraser served in the navy in the first world war, and his son, J. P. Fraser, has just enlisted in the navy.

### "BARRON'S" SEVENTH ARTICLE

Nonforfeiture values are discussed in the seventh in the "Barron's" life insurance series. The author points out that a knowledge of the various provisions may mean substantial savings to the policyholder who is unable to continue paying his premiums. Without identifying companies by name, the article compares the nonforfeiture values available under various policies. Next week's article will deal with extended term and paid-up insurance.

### C. D. CONNELL HONORED

Members of the Round Table, an informal social organization of general agents and managers in the New York City area, gave a dinner in honor of Clancy D. Connell, general agent Provident Mutual Life and trustee of the National Association of Life Underwriters. For the last nine years Mr. Connell has been secretary of the Round Table, which has no other officers. He was presented a silver tray on which were engraved the signatures of all the members.

Guests from outside the association included Phelps Todd, underwriting vice-president, and Walter Cross, assistant manager of agencies, from the Provident Mutual home office; and C. B. Wenigmann, president of the Bon Marche department store of Lowell, Mass., a close personal friend of Mr. Connell's and one of his classmates at Hamilton college.

### N. Y. CITY MARCH FIGURES

The Life Insurance Sales Research Bureau's estimate of total sales of ordinary life insurance in New York City for March is \$43,211,000 as against \$48,163,000 for March, 1941. These figures were released through the New York City Life Underwriters Association.

### NOMINATORS NAMED

Beatrice Jones, Equitable Society, president of the New York City Life Underwriters Association, has announced the nominating committee which will report its selections at the association's next meeting, May 2. The annual meeting and election will take place June 11. Under the association's by-laws the committee is made up of the three most immediate past presidents, three agents elected by the agency committee, and three members selected by the president. The immediate past presidents are

### Davis Agency Secretary at the Commonwealth

William R. Davis, III, home office general agent of Commonwealth Life, Louisville, since 1936, has been appointed agency secretary. Mr. Davis,



WILLIAM R. DAVIS III

who has made a splendid record in ordinary production for the company in Louisville, has been taken into the home office to implement the aggressive development of ordinary business and to assist A. W. Litz, manager of agencies, in the further expansion of the ordinary department.

Mr. Davis joined the Commonwealth in 1935 after having enjoyed considerable success in other connections. In recent months Mr. Davis has been taking an active part in the extensive training program which has been conducted by the company for its agents.

Lloyd Patterson, general agent Massachusetts Mutual, Benjamin Alk, Penn Mutual, and L. A. Cerf, Jr., general agent State Mutual. The three agents elected by the agency committee are Miss Sara Lewinson, Massachusetts Mutual; Harry Lerer, Metropolitan, and T. H. Hodgkinson, New England Mutual. Those selected by Miss Jones are J. Fred Speer, assistant manager Benton agency of the Equitable Society; K. L. Anderson, assistant general agent Sprague agency Provident Mutual, and W. L. Momen, production manager McMillen agency Northwestern Mutual.

### Jamison Is Kiwanis Speaker

John Jamison, manager of field training of Northwestern Mutual Life, addressed the Kiwanis Club at Sheboygan, Wis., on "Daylight Compartments."

### Savings Bank Insurance Official Hails Improved Relations with Industry

Following the publication in the issue of April 3 of an editorial on the improved relations between savings bank life insurance leaders and life insurance men in New York State, Secretary E. N. Hatch of the Savings Bank Life Insurance Fund of New York wrote the following letter to the editor of THE NATIONAL UNDERWRITER:

"Your editorial is one of the most constructive statements that I have ever seen in connection with the relations between savings bank life insurance and the agency systems. Having had experience in savings bank life insurance both in Massachusetts and New York, I have naturally given a great deal of thought as to the constructive presentation of this form of life insurance to the public.

### Seek Constructive Presentation

"I have for a long time been convinced that with a little better understanding on both sides the agency system and savings bank life insurance can and should function together without destructive criticism from either side. Certainly there is a big job to be done in advancing the interests of life insurance generally and there is little time for bickering back and forth.

"Many persons connected with savings bank life insurance in New York have been sincerely striving for means of presenting savings bank life insurance in a constructive and non-controversial way and to avoid any statements to which anyone in the life insurance field might personally object. It is most pleasing to us to know that these efforts are being recognized.

"I suppose that we must expect that there will be some occasions on which ill-considered statements may be made on either side. However, I do feel that both sides are now getting to a basis of common understanding. With our limitation of \$3,000 here in New York and with the emphasis that the savings banks are placing on the need for life insurance as well as savings and with approximately 6,000,000 people in the state of New York depositors in savings banks. I think that it is quite possible, as you suggest, that eventually the agency system may sell more life insurance rather than less because of the existence of savings bank life insurance."

Dr. W. R. Ward, medical director of Mutual Benefit Life, spoke at a dinner of the middle Atlantic division of the Association of Bank Women in Newark.

## Forty-Eighth Year of Dependable Service

- The State Life Insurance Company of Indianapolis, Indiana . . .
- Is a Mutual Legal Reserve Company Founded 1894 . . . . .
- Has Paid \$135,000,000 to Policyholders and Beneficiaries . . .
- Holds Assets of over \$55,000,000 for their benefit . . . . .
- Issues Policies from Ages One Day to Sixty-Five Years . . . .
- Issues Policies on Male and Female Lives at the Same Rates . .
- Issues Policies with Double Indemnity and Disability Benefits . .
- Issues Juvenile, Educational Fund, and Family Income Policies .
- Issues Salary Continuance and Retirement Income Policies . . .
- Issues Many Other Standard and Up-to-date Policy Forms . . .
- Offers Agency Opportunities and Training for Those Qualified.

## THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

## GENERAL AGENT Wanted in Grand Rapids, Michigan

A well-known Life Insurance Company, with its Home Office in the Midwest, wants a General Agent in Grand Rapids, Michigan.

To the man who qualifies the Company will offer a General Agent's contract with liberal commissions, financial assistance, and Home Office helps that qualify salesmen to produce new business.

For information write in confidence to

Box No. P-64,  
The National Underwriter,  
175 W. Jackson Blvd.,  
Chicago, Ill.



## Sales Congress Is Full of Meaty Talks

(CONTINUED FROM PAGE 3)

positively meet the needs and that the plan will be carried out if the occasion arises and that it is the best plan for him to pursue.

Mr. Keiley depicted a sale as a courtroom scene with the prospect's conscience as a judge, the agent representing the prospect's family interest, and the prospect appearing as the defendant. The agent must make the prospect dissatisfied with what he has done for his wife and children, and give him the emotional stimulation which will cause him to buy.

The agent must be sold on the fact that none of the regular markets are closed to him, Mr. Keiley said. Although defense workers are a growing and important market, it is difficult for the average ordinary agent to contact them and he should not forget that his normal market for life insurance is there pretty much as always. When business falls off, Mr. Keiley declared that it can almost always be traced to a decrease in the number of interviews.

### Talk by W. L. Momsen

Many white collar workers are making more money, and although their living costs and taxes are higher, these prospects are usually fully sold on life insurance and are the type who decided long ago that if they ever got increases in salary the greatest part of it would go into savings, W. L. Momsen, assistant to General Agent C. L. McMillen, Northwestern Mutual, New York, said.

Many agents are so accustomed to getting the bulk of their business from the white collar worker that they must still continue to get most of their business from him no matter how they change their sales methods.

Mr. Momsen suggested that perhaps the best approach to the white collar man is to try for a package sale, building up the benefits of that particular package in contrast with its moderate cost. The prospect may have a need for life insurance to take care of the gap in social security from the time the youngest child reaches age 18 until the widow reaches age 65. To strengthen this appeal which in itself is not strong enough, Mr. Momsen suggested a sale of approximately \$5,000 since \$4,780 would pay out about \$10 a month in interest. With this much insurance, the wife could be named as trustee with the money under the interest option, paying out about \$10 monthly.

This arrangement has the advantage of great flexibility since she could use the money for additional clean-up to take care of increasing taxes or unpaid income tax installments, for example.

## Rhoads Is Manufacturers Life Leader in 1941

Leading Manufacturers Life's entire field organization with 1941 paid business in excess of \$1,000,000, John R. Rhoads, agency assistant in Philadelphia, becomes the new president of the company's production club. Mr. Rhoads specializes in tax analysis and estate planning. He joined Manufacturers Life in 1939 after nine years of life insurance experience in Philadelphia with Equitable Society and Connecticut General. His average annual production since entering the business is more than \$400,000, and he already has made an excellent start towards retaining his company position in 1942 with paid business well over \$250,000 for the first three months of this year.



J. R. Rhoads

The money could also be used to supply extra income during the readjustment period or considered as an emergency fund, an education fund for one of the children, or finally a life annuity option for the widow herself.

If the assured's wife died, the money could be used as an educational fund for one of the children and if the assured lives, he can take his reserve values and pay the child's tuition. If this is not needed, the assured could continue paying premiums in order to provide for life income for his wife or he can continue to pay premiums to age 65 and convert to a life income option. All this can be done for about \$2 a week, an amount which a couple may easily spend just for cigarettes.

With heavy taxes, most people will be setting up some sort of a budget and the agent can use the situation to advantage by showing the prospect that if it is difficult to come down at the present time, what kind of a budget would it be possible for his widow to set up on his present life insurance? The same sort of budget should be worked out based on the amount of income the assured will have if he lives and retires at age 65.

### Strategy of Selling

Use of the proper and most attractive phraseology in meeting the prospect with the view of getting the response desired was discussed by L. E. Simon, general agent Massachusetts Mutual, New York City, in his talk on "The Strategy of Selling." Mr. Simon compared a properly conducted sales interview to a game of chess, the objective of which is to maneuver the other person into a position from which he cannot escape. The agent must use phraseology which gets the prospect into thinking positive thoughts. He should avoid argument at all costs and seek for a point of agreement. Agreement should be gotten on things of minor importance, he stated, for when the prospect starts nodding "yes" it is almost impossible for him to say "no."

### Beatrice Jones' Address

Beatrice Jones, president New York City Life Underwriters Association in her talk said:

"When the war is over—that is when the danger of complacency will be our major threat. We are not a warlike people and when the battles are finished we invariably stop fighting. We quit the fight at the very time we need to fight hardest to preserve the freedom which is the keystone of our national life.

"When the changes come we must have educated, through our own efforts, the great multitude of insured lives in America who will demand that government control be continued in those places where government has a record of sound performance and that private control continue where a record of faithful stewardship has been established. Life insurance has a record of stewardship that is unassailable. It has consistently remembered that it is 'handling other people's money'.

"The challenge today is to the agents of life insurance. We must become increasingly articulate. It is our responsibility to give the buyer of life insurance an increased appreciation of the benefit to him from the continuation of life insurance as private enterprise. The agents today, have an obligation to show their policyholders what a vital part their premium dollars play, both in providing instruments of war and in ultimate defense of democracy.

"This is the time for every agent to diligently and conscientiously find new policyholders in those fields where increased earnings exist—to seek out the 'optional dollars' of earnings and divert them into the safe custody of life insurance. This is our challenge. Have we the courage of our ancestors. Have we the energy and foresight to do our work faithfully in these times? I think we have."

## Clarifies Soldiers' Disability Cover

In the March 27 edition THE NATIONAL UNDERWRITER published an article headed "Metropolitan Acts on Disability Cover of Soldiers." In the last paragraph President Leroy A. Lincoln of Metropolitan is quoted as saying that "upon the termination of the war or of military or naval service of the insured while the war continues, the suspended benefits will again become effective subject to the terms of the policy and provided the payment of the additional premium for such benefits is resumed."

The article then states that "this apparently means that the disability benefits will be reinstated if the insured produces evidence of insurability." Horace R. Bassford, actuary of the Metropolitan Life, writes as follows: "This statement is not correct as the Metropolitan will not require evidence of insurability when the policy provision again becomes effective.

### Insurability Evidence Not Permitted

"The terms of the policy referred to by Mr. Lincoln meant that the policy provisions could again be effective subject to such requirements as that the life insurance policy is in force, the in-

sured is under 65 in the case of double indemnity provision and under 60 in the case of the disability provision. It is our view that the requirement of evidence of insurability is not permitted by the policy.

"Upon these provisions again becoming effective, the company will, of course, recognize only claims which result from accident or disability occurring while the provisions are in force and would not recognize a claim which arose while the provisions were suspended. If the insured is, therefore, totally and permanently disabled upon termination of his war service, it would not be to his advantage to resume the disability benefit."

There are a number of companies which have a benefit similar to that of Metropolitan, and THE NATIONAL UNDERWRITER is glad to correct the impression given in the March 27 article.

### More Calls, Fewer Interviews

Analysis of the records of Indianapolis Life's production leaders in the first quarter showed an average of 2.7 calls required per interview, and 3.9 interviews per sale, President E. B. Raub reports. A slightly higher number of calls was required per interview than in 1941, but there was a slightly higher proportion of sales to interviews in the first quarter of this year.



## When the bluebirds are over . . .

Yes, some day, the white cliffs of Dover and many other places in this old war-torn world of ours will be peaceful once more, and will once again have a place in our dreams of retirement and travel. Let's hope that day, when victory and peace will be ours, is not far away.

Life insurance men, too, look forward to retirement and travel, and long to see sunsets in distant lands in their sunset years.

Guarantee Mutual Life men are building their retirement funds through liberal first year and "doubled up" renewal commissions on a full line of salable policies including Juvenile, Mortgage Retirement and Family Income. In addition, they can qualify for INCOME CONTINUANCE under which a retirement income is built up, without any contribution by the agent, for the writing of a surprisingly low amount of quality business. They can look forward with confidence to their sunset years.

Write A. B. OLSON, Agency Vice President, for details of our "BUILDERS OF MEN" AGENCY PLAN

## GUARANTEE MUTUAL LIFE COMPANY

OMAHA, NEBRASKA

Organized 1901

## EDITORIAL COMMENT

### Industrial Endowments in New York

THOUGH Governor Lehman recently vetoed a bill which would have permitted the writing of industrial endowment policies in New York state if limited to a monthly basis, a new bill has been introduced permitting the issuance of small endowment policies which it is to be hoped will merit the governor's approval. Issuance of endowment policies on the industrial basis has been barred for several years in New York.

While the sale of industrial endowments was probably overdone in some cases the argument against them seems also to have been overdone. After the legislature took action a survey by the New York department indicated that far from being sold a pig in a poke industrial endowment buyers knew what they were buying and wanted that type of insurance and no other.

The argument is made against the small endowment policy that it is a high-priced form of insurance. It is true that the same death benefit can be purchased considerably more cheaply on the whole life basis. But those who complain about the "high cost" of endowment insurance overlook that industrial endowments are sold very largely as a savings proposition. In the main they are bought by parents on the lives of children. For some reason many families which would be hard hit by even a moderate last-

illness and burial expense for a child have a dread bordering on the superstitious of entering into an arrangement which would make them seem to profit by a child's death.

For the very reason that in an endowment policy the savings element overshadows death protection these buyers are willing to take the insurance, since the main purpose is to set up a systematic savings plan which will provide a nest-egg for the child when he or she grows up.

This nest-egg idea is no mere matter of putting \$250 or \$500 in an adolescent's lap. Parents are becoming increasingly aware of the need of giving their children at least a vocational school education if they are not to be handicapped.

It is one thing for the state to place such safeguards around the sale of insurance as will assure the buyer of getting a square deal. But for the state in effect to pat its citizens patronizingly on the head and tell them they are not to be permitted to buy certain types of insurance which they understand and want seems to be going pretty far in the direction of state paternalism. If the new bill can win the legislature's passage and the governor's signature it would help dispel the idea that New York state is disposed to take an unduly nosy interest in the actions of its citizens.

### Disquisition on Decentralization

WHETHER insurance companies should take cognizance of the situation as presented by Dr. Marcus Nadler, professor of finance New York University, in speaking before the American Bankers Association real estate mortgage clinic, remains to be seen. We have come to regard New York City as the pivotal point and national capital of so many lines of business and enterprises. In art, in music, in the theater, in insurance and, in fact, in all lines where financing needs to be done, New York City has been the hub of the wheel.

Dr. Nadler paints a different picture and states that the decentralization process has started and may affect the metropolis materially. Not only is New York City to be affected but he also shows that our other great cities may not be so great as they expected because many lines of business are finding it more satisfactory to be located away from congested centers.

The tendency of insurance has been to concentrate on New York City and other eastern cities especially so far as

fire insurance is concerned. There are probably 50 percent less western departments of fire companies in Chicago than there were even 30 years ago.

Dr. Nadler does not mince words in saying that the financial center of New York City has already suffered and it is doubtful in his opinion whether it will ever regain its previous position. Head offices of many corporations have already been moved out of New York City. He thinks that this trend may continue during and after the war, it may be accentuated by the recentralization of industry that is taking place.

He believes that the economic center of the world has shifted to the western hemisphere and it is likely, as he points out, the shipping from gulf ports and from the west coast will play a much more important role than ever before.

Dr. Nadler was talking to people who are primarily interested in real estate values. Perhaps insurance can do well to study this situation from its standpoint. The tendency may be to decentralize its processes. There have been

economies effected because of the combining of all work under one roof but on the other hand there may be other factors that are having a detrimental effect.

It is well for those responsible for management to take cognizance of these changing conditions that will confront us more and more during these years.

## PERSONAL SIDE OF THE BUSINESS

**G. S. McCarter**, superintendent of agencies of American National Life of Galveston, Tex., is bereaved by the death of his mother.

**J. M. Gantz**, general agent Pacific Mutual in Cincinnati, spent last week on a speaking tour addressing life insurance groups in Pittsburgh, Wheeling, W. Va., and on Monday addressed the Illinois Life Underwriters Association at Chicago. The theme of each of his talks was "Life Insurance Men's Responsibility in This War".

**Ray Hodges**, superintendent of agencies of Ohio National Life and well known as a former home office general agent, was married to Marjorie Jones at the Hyde Park Community Church in Cincinnati. They are spending their honeymoon at Corpus Christi, Tex.

**Harry L. Reed**, local agent in Lincoln, and former secretary of the Nebraska Life Underwriters Association, has filed as a Republican candidate for lieutenant-governor of Nebraska.

**John L. Taylor**, manager of Mutual Life of New York, at Springfield, Ill., has been elected chairman of the nominating committee of the war fund council recently organized in Springfield.

**Dallas R. Alderman**, vice-president of Kansas City Life, was not able to attend and give the talk that he was scheduled to give at the meeting of the north central round table of the Life Advertisers Association this week.

**George M. Phillips** of the Massachusetts Mutual has been appointed United States director of civilian defense for the Atlanta metropolitan area, following recommendations made by a mediation board which spent ten days hearing both sides of the row between the city of Atlanta and Fulton County. He succeeds **Charles J. Currie**, Atlanta manager of Mutual Life.

Great Northern Life, Chicago, is marking the birthday of Vice-president **John A. Sullivan** and his 30th anniversary with the company by a production campaign in April.

**R. E. Fuller**, superintendent of agents of Equitable Life of Iowa, is back at the office after having undergone a minor operation. It prevented him from attending the regional meeting last week at French Lick, Ind., however.

Because he had the highest paid premiums in 1941, **Russell Pearson**, general agent of Minnesota Mutual Life in Fort Worth, Tex., becomes president of the company's "convention" for 1942. Mr. Pearson in the 13 years he has been with the company has produced \$7,551,955, and has an app-a-week record of more than 575 weeks. In 1941 he had the highest paid premiums of any agent of the company.

**John R. Hardin**, president of Mutual Benefit Life, will celebrate his 82nd birthday April 24. He has been a director since 1904 and president since 1924.

**Henry S. Nollen**, chairman of the board of the Equitable Life of Des Moines, is in a hospital in his city. He

had a cataract removed from his eye and was getting along in good shape when he suffered an attack. Mr. Nollen is regarded as one of the leading executives of the west.

## DEATHS

**Dan M. Hodges**, general agent in Raleigh, N. C., of the Lincoln National Life, died there. He had been seriously ill for some time. In the 10 years he represented Lincoln National as general agent in Raleigh, he compiled an outstanding record, both in agency work and personal production.

**Claude P. Kendall**, treasurer of Washington National, died at his home in Glencoe, Ill., as the result of a heart attack following a short illness of two or three days. Mr. Kendall was born Jan. 7, 1880, in Nelson county, Kentucky, and started his business training as a clerk with the Louisville Banking Company. His insurance career began in 1898 with Prudential at the home office in Newark, where he rose from office clerk to manager of the claim department.

In October, 1925, Mr. Kendall resigned from Prudential to become treasurer of Washington National. His early training in the banking field and his experience with the Prudential were of considerable value to him in his association with his company. Throughout his 17 years as treasurer of the Washington National, Mr. Kendall devoted his entire efforts and ability to the proper handling of the company's funds. His deep knowledge of investments and securities was an invaluable asset.

Mr. Kendall was a brother of H. R. Kendall, board chairman, and George R. Kendall, president of Washington National.

**Herbert O. Edgerton**, 80, for 27 years president of Boston Mutual Life, retiring in 1937, died at his home in Belmont, Mass. In recent years he had acted in an advisory capacity. He was for several years a bank cashier in Greenfield, Mass., and later organized Greenfield Life Association, which became Atlantic Mutual Life. This company reinsured in Boston Mutual in 1901. Mr. Edgerton was appointed general agent of the Boston with headquarters at Springfield, in 1904 was elected secretary and in 1910 made president.

**Robert Haugh**, 73, who retired in 1941 as general manager of Union Life of Virginia, died suddenly at his home in Richmond. Mr. Haugh was formerly agent for Home Beneficial in Richmond and its district supervisor in Newport News.

**Mrs. Caroline Parsons Graham**, widow of George Graham, died at White Plains, N. Y., hospital after a short illness. Mr. Graham, at the time of his death in 1937, was executive vice-president of Manhattan Life. He was one of the country's best known actuaries.

## THE NATIONAL UNDERWRITER



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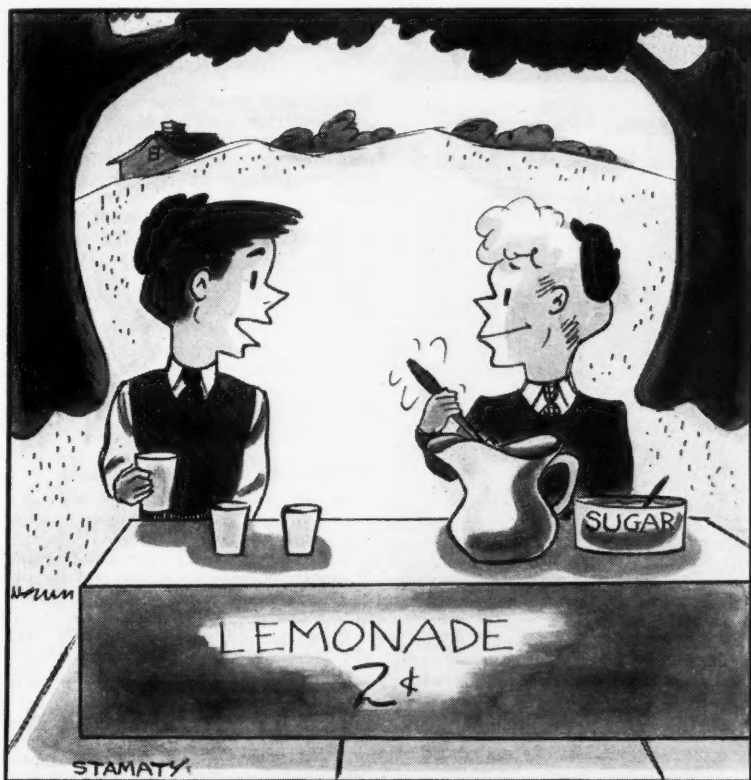
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"Say, Jimmy, you're the key man in this business! How about getting some business insurance?"

## IN U. S. WAR SERVICE

**Robert L. Rose**, head of the advertising service department of THE NATIONAL UNDERWRITER, has enlisted in the navy as chief yeoman. He will be assigned to the recruiting office in the federal building, Chicago. Mr. Rose has been with THE NATIONAL UNDERWRITER in Chicago 11 years. Previously he had been in the navy four years, being discharged as yeoman, first class. He will report for duty within a few days.

**W. J. Williams**, field vice-president and superintendent of agents of Western & Southern, has enlisted in the army and expects to leave early in May for an officers' training school. The districts that have been under his direction will be distributed among the company's other superintendents of agencies. Mr.

Williams is the proud new father of a baby girl born last Tuesday.

**John W. Walker**, vice-president of Postal Life & Casualty, Kansas City, captain in the quartermaster reserves, has been ordered to report for active duty at Fort Francis E. Warren, Cheyenne, Wyo. He has been given leave of absence.

**Dale B. Smith**, an adjuster of the Eastern Fire Insurance Adjustment Bureau, is being inducted into service at Hartford. He is a son of Ralph P. Smith, Mansfield, O., general agent of Ohio State Life.

**Carleton Morehouse**, insurance manager of the First Bank of South Bend, Ind., a reserve officer in the navy, has gone into active service. He was formerly with Aetna Life in Chicago.

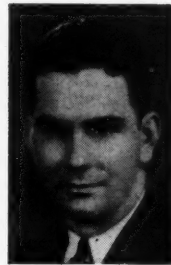
**Thomas F. Kerr**, general agent with

## Baldwin, Security Life & Accident, to Enter Army

Lyman C. Baldwin, superintendent of agencies of Security Life & Accident at Denver, will be inducted into the army May 7 as a private.

Mr. Baldwin entered insurance as an agent in the Denver agency of Reliance Life in 1932, later transferring to the Warren Chase general agency of Union Mutual of Portland, Me., in Denver. He became general agent of Union Mutual at Rochester, N. Y., in 1936, and in 1938 went to the home office as home office supervisor. Later he was made assistant superintendent of agencies with Glen Stearns, covering New England, New York, and south to Richmond, Va.

In August, 1941, Mr. Baldwin joined Security Life & Accident as superintendent of agencies. He is a nephew of W. Lee Baldwin, president of that company.



L. C. Baldwin

Donald J. Macker for Security Mutual Life at Teaneck, N. J., has been inducted into the army. Mr. Macker will continue to operate the agency.

**Clare G. Sharkey, Jr.**, who has been with the Henry A. & Henry S. Stout agency of John Hancock Mutual at Dayton, O., for the past six years, has been commissioned a second lieutenant in the army air corps and is taking special training at Harrisburg, Pa.

**Joseph A. Kelly** of the legal department of Columbian National Life of Boston, has been commissioned a lieutenant in the navy and will leave shortly to take up his duties at the naval training station at Quonset, R. I. He has been with Columbian since 1936.

**Eliot C. Laidlaw**, former purchasing agent of Columbian National Life, now in the army, has been promoted from captain to major.

**A. B. Kelly, Jr.**, Yazoo City, Miss., district manager of Lamar Life, has been ordered to active military duty as a first lieutenant in the infantry.

**John Barker, Jr.**, counsel of New England Mutual Life, has received a commission as lieutenant, senior grade, in the naval reserve, attached to the bu-



## Yarns from our Spinning Wheel

### Mutuality in Retro-action

NEWS ITEM—March 26, 1942: In liberalizing its war risk exclusion amendments, New England Mutual has made the general benefits of the new terms automatically applicable to any previously issued war-clause.

This is the latest example of New England Mutual's traditional principle that liberalization of policy contracts shall be extended to all its policies in force, insofar as this can be done without invalidating contractual guarantees.

Here are some conspicuous instances. The specific advantages of the first non-forfeiture law, away back in 1861, were voluntarily applied to all policies in force, supplementing the Company's pioneering cash value provisions. Later, New England Mutual's granting of full legal reserve cash values beginning with the third policy year, without surrender charge, was made retroactive to all outstanding policies. And when settlement option provisions were broadened, the benefits were extended to old policies.

Again we are reminded of the code of the Company's founders, as stated in 1844: "The object is equality among the members . . . and it is no part of the plan that some shall be benefited at the expense of others."

## New England Mutual

Life Insurance Company

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA • 1835

reau of ordnance in Washington, and will be on leave of absence "for the duration." He joined New England Mutual as attorney in 1936.

**G. Archie Helland**, general agent of Connecticut Mutual Life at San Antonio, who now is in service, has returned to San Antonio. He is a lieutenant in the quartermaster corps of the army, and is assistant sales officer of the post commissary at Brooks Field, Tex.

**Frank L. Benson** of the Edwards-Benson agency of Security Mutual Life of Nebraska, in North Dakota, is at the Great Lakes naval training station.

**Robert L. Maclellan**, vice-president Provident Life & Accident and head of its life department, has been commissioned a captain and assumed his du-

ties with the finance division of the army at the War Department in Washington. He was given a leave of absence. Capt. Maclellan is a son of R. J. Maclellan, president of the company.

Two members of the home office staff of **Bankers Life of Nebraska** have entered service. Lieut. Harry Seward is with the 164th field artillery in California, and John Alden is at Camp Crowder, Mo., in charge of personnel in the signal corps.

Associates of **S. Laurence Ach**, Stockton, O., and **Robert H. Tuley**, Hamilton, O., in the Cincinnati agency of Connecticut Mutual, honored them at a farewell luncheon before leaving for military service. Mr. Ach is entering the army and Mr. Tuley will join the army air corps as a cadet.

terstate Life & Accident. Federal authorities will be asked to approve its construction as an emergency in the housing of additional employees required by the company.

### First Quarter Persistency Improves for N. W. Mutual

**MILWAUKEE** — President M. J. Cleary of Northwestern Mutual reports that while this country has been in the war for only about four months, the first quarter showed a marked betterment in persistency of business over last year, which was the best in the history of the company except 1918. Insurance surrendered in the first quarter was 10.8 percent less and the insurance lapsed was 16.8 percent less than in the first quarter of 1941.

Insurance in force increased \$53,292,536 to a total of \$4,097,977,399. New business totaled \$85,943,420 from 21,324 new policies, for an average of \$4,030. This compares with \$49,990,451 on 13,412 policies a year ago. In addition there was \$4,222,958 in revivals and additions and \$964,926 in new life annuities this year. First quarter business included 2,894 policies totaling \$7,251,217 on the lives of women.

Assets reached \$1,459,960,631, a gain of \$20,060,808 for the quarter. In the same period the company paid to policyholders and beneficiaries \$30,847,732, \$8,731,910 of it in dividends to policyholders.

### Mutual Savings Gets Ark. Assets

**LITTLE ROCK**—Arkansas assets of the former Home Life, listed at \$262,-

499, and the Central States Life, its reinsurer, listed at \$33,737, will be transferred by M. J. Harrison, receiver, to the new Mutual Savings Life of St. Louis by Order of Circuit Judge Auten here. In approving the reinsurance contract of Mutual Savings with Central States Life, the court rejected a plan to form an Arkansas company to reinsure policies of the former Home Life.

Superintendent Scheufler of Missouri and Allen May, president of Mutual Saving Life, recommended acceptance of the Mutual Savings Life contract, which has been approved by the circuit court in St. Louis.

Judge Auten directed Mr. Harrison to retain \$702 as value of Home Life policies of eight intervenors to await a possible appeal to the Arkansas supreme court. He denied claims of the intervenors for refund of premiums.

### Wettaw Heads Prudence Life

**M. H. Wettaw**, formerly associated with Walter C. Green, Chicago consulting actuary, has been elected president of Prudence Life, Chicago. Alfred Holzman, former president and founder of the company, was elected chairman of the board.

Prior to joining Mr. Green's staff, Mr. Wettaw was a member of the ex-

### A & H PREMIUMS

are up. Subscribe to The Accident & Health Review and get your share. Only \$2 a year, 175 W. Jackson Blvd., Chicago.

## NEWS OF THE COMPANIES

### Pacific Mutual Men Advanced

**Robert W. Cross** and **Walter H. Rolapp** have been elected vice-presidents of Pacific Mutual Life.

Prominent in financial circles on the Pacific Coast for many years, Mr. Cross has been identified with the management of securities investments for Pacific Mutual since 1934. Mr. Rolapp has been in charge of mortgage and real estate investments of the company since 1937, and is widely known in the fields of real estate and mortgage banking.

Mr. Cross was in the office of the president of the Southern Pacific for several years, and was later employed as a securities expert by the California railroad commission. From 1918 till 1934 he was with National City Co. of New York.

Mr. Rolapp formerly was president of the Mortgage Guarantee Co. in Los Angeles, after earlier experience in the real estate and mortgage fields in Salt Lake City. Subsequently, he became vice-president of Investors Syndicate, in charge of real estate operations throughout the country.

The new appointments Mr. Call said, are in recognition of the importance attaching to all investment matters. "Both Mr. Cross and Mr. Rolapp are particularly qualified by long experience, to assume the responsibilities, which in fact, they have capably discharged, during the past several years", said Mr. Call.

### L'Estrange Is Agency Director

At the annual meeting of Wisconsin National Life, **G. A. L'Estrange**, manager of the accident and health department, was elected agency director. He has been acting director since the retirement of Arthur James, now vice-president emeritus. P. A. Snelling, claim adjuster, was named assistant manager of the accident and health department.

President C. R. Boardman reviewed the progress of the company the past year. Although business conditions generally were somewhat unsettled, he said, the various departments showed substantial increases the first quarter of 1942.

### Home Life of N. Y. Advances Six Men

Changes in officer and administrative personnel of Home Life of New York were made by directors.

**William J. Cameron**, who has been with Home Life since 1917 and vice-



W. J. Cameron



O. C. Lincoln

president and actuary since 1928, becomes executive vice-president. He was appointed actuary in 1922 and became a director in 1930. For a number of years he has handled problems of general administration in addition to his duties as actuary, and now will devote more time to broader operations.

**Owen C. Lincoln**, associate actuary since last May, was named actuary. He went with the company in 1928 and became assistant actuary in 1935. He is a fellow of the Actuarial Society.

**T. A. Stemmermann**, on leave of absence because of illness, on his return will be closely associated with Mr. Lincoln as associate actuary.

**William Allan** and **G. W. Pickering**, actuarial supervisors, were appointed assistant actuaries. **Burton B. Brown**, supervisor mortgage department, was appointed assistant mortgage secretary. All these men began with Home Life upon graduation from college.

**R. B. Helser** was appointed manager of field service. He has been supervisor since 1936. Formerly he was with the advertising department of the Sheaffer pen company.

### Interstate Plans Addition

Plans are being prepared for an addition to the home office building of In-

## Security Life and Accident Company

Home Office

DENVER, COLORADO

"An Old Line Legal Reserve Life Insurance Co."

Also Features

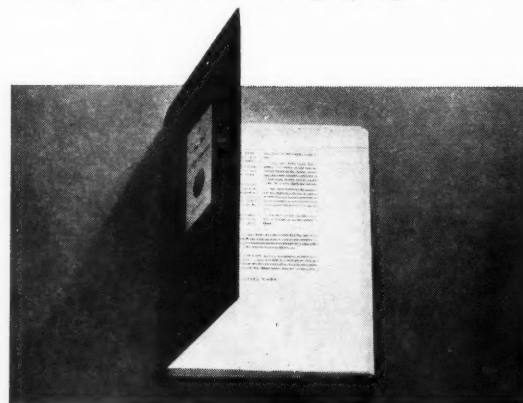
**NON-CANCELLABLE GUARANTEED RENEWABLE ACCIDENT AND HEALTH CONTRACTS**

ATTRACTIVE AGENCY OPPORTUNITIES

W. LEE BALDWIN


President

Thoroughly tested, up-to-the-minute is the CASE BOOK, the Mutual Benefit's procedure for training new members of the agency organization.



Each succeeding case, interesting in itself as an independent study, takes the new agent a step further toward complete competence as a life underwriter. Coupled with daily assignments of field activity, it makes continuous progress an accomplished fact. *New men like it!*

## The Mutual Benefit

LIFE INSURANCE  COMPANY

Organized 1845 · Newark, N. J.



aming staff of the Illinois insurance department for eight years.

#### Whitbeck Joins Union Life

Frank Whitbeck, vice-president of the Southwest Association of Industrial Editors and formerly with Mid-Continent Life of Oklahoma City, has joined Union Life of Little Rock, as public relations director.

#### Dr. Armour Named by Protective

Protective Life has appointed Dr. William S. Armour acting medical director to serve during the absence of Lieut. E. G. Givhan, on active duty with the navy.

## INDUSTRIAL

#### Status of Industrial in Maryland Is Reviewed

THE NATIONAL UNDERWRITER inquired of Carl N. Everstine, research assistant of the legislative council of Maryland, about the study which the council is making of industrial insurance.

Mr. Everstine observed that the Maryland insurance code now provides that life insurance policies sold in Maryland must make available to the policyholders a cash surrender value at the end of 10 years and either paid up or extended term insurance at the end of five years. A bill presented at the 1941 session of the legislature would have required cash values to be available at the end of five years and either paid up or extended term insurance at the end of three years. This bill was never reported out of committee. At present the Maryland code has no provision covering the lapses which may or may not be charged against the agent's account. The bill mentioned above would also have required that no lapse could be charged against the agent's account if the policy were three years or more old.

Since this bill was not considered by the entire general assembly the house by resolution referred the problem to the legislative council. Up to this time, Mr. Everstine states that nothing has been done by the council beyond the work of the research staff in completing a first draft of the report. After the report has been submitted to the council, it may hold hearings before determining what recommendations, if any, to make to the assembly.

The resolution directing the legislative council to make a study referred

#### Booth Named Attorney for New England Mutual

New England Mutual Life has appointed Vincent V. R. Booth as attorney. He was graduated from Princeton and received his LL.B. in 1930 from



VINCENT V. R. BOOTH

Harvard Law School, where he was winner of the Ames Competition. Since his graduation, he has been associated with the Boston law firm now known as Bingham, Dana & Gould. With broad training in general practice and corporation law, he has specialized in probate law, and has had extensive experience in lower court trials and appellate work.

particularly to the manner of charging agents for lapses and to cash surrender values.

#### List Additional Speakers for Industrial Insurers

Additions to the program for the annual meeting of the Industrial Insurers Conference in Atlanta May 7 and 8 are announced by Raymund Daniel, executive secretary. Frank J. Travers, vice-president of Lincoln National Life, will speak at the opening session on "Life Insurance Investments." In the executive session scheduled for the closing day, A. J. McAndless, president of Lincoln National, will talk on the tax situa-

tion. General discussion will follow both of these addresses.

#### Aid Wake and Guam Prisoners

NEW YORK—The Industrial Agents C.I.O. Union, Local 30, with 5,000 members, has adopted the 1142 A.F.L. building tradesmen who were captured by the Japanese on Wake and Guam and who are now in concentration camps. The agents union will raise funds to provide toilet articles, athletic equipment, musical instruments and educational material for the workmen as well as for the 800 members of the U. S. armed forces captured with them.

## ACCIDENT

#### Union Labor Life to Write Accident

In presenting the 15th anniversary report of the Union Labor Life of New York, President Matthew Woll recommends to the executive officers that the company proceed with the writing of group accident and health insurance, including hospitalization. The actual writing of such business will probably commence some time this year. Mr. Woll's report shows the company to be in sound financial condition. Last year it had income of \$1,490,361. Assets increased by \$398,662 to \$4,033,017, surplus stands at \$693,688, and combined capital, surplus and contingency reserves amount to \$1,542,688. Insurance in force totals \$83,095,572. The capital is \$375,000, upon which a dividend of 7 percent or \$1.75 a share will be paid May 1.

Mr. Woll states that it is the plan to increase the dividends to stockholders further as soon as conditions permit. During 1941 the company wrote \$15,857,281 of group business and \$2,188,016 of regular life insurance. Of its total of \$83,095,572 in force, \$70,976,700 is on the group plan.

#### Illinois Bankers' "Victory" Policy

The "victory" accident and health policy of Illinois Bankers Life is designed especially to meet the present conditions and present needs. The salesman who submits the first 25 applications upon which "victory" policies are issued will be given a \$25 war savings bond.

It pays 24 months for total accident disability for "his occupation," with two-fifths partial for three months; 12

*Serving the West*

## LONG TERM CONTRACTS

*... on a short-term basis*

!

Through Cal-Western's liberal Premium Deposit Account agreement, surplus income may be set aside during the present "high income period" (at an attractive rate of interest) to pay future premiums, buy paid up insurance, or to provide cash for post-war needs. A powerful selling tool for the wage-earner who asks, "What about after the war?"

BUY WAR SAVINGS BONDS



California Western States Life Insurance Company

HOME OFFICE.....SACRAMENTO

LIFE REINSURANCE

North American Reassurance Co.  
99 John Street Lawrence M. Cathles, Pres. New York

months for illness, with seven days elimination, house confinement not required; 50 percent additional for hospital for two months and optional indemnities for certain dislocations, fractures and amputations. Aviation coverage is included. It is a non-prorating form. For classes AA, A and B, the annual premium for men 18-50, \$5,000 principal sum and \$100 monthly, is \$50, with \$3 policy fee. Premium is increased 25 percent for males 50-55 and women 18-50, and 50 percent for men 55-60. For the lower classifications, including all down through class F, the same premium applies for \$2,000 principal sum and \$100 monthly.

#### Pacific Mutual's A. & H. Campaign

General agencies of Pacific Mutual Life participated in an "Accident & Health Week" campaign Feb. 13-March 13. As of April 1, with some reports still to be received, 37 agencies were on the "honor roll" by producing two or more applications during that period. The home office general agency of Paschall-Gist led with 18. The total number of agents on the roll was 159.

#### Great-West Life Distinction

Great-West Life of Winnipeg, which recently entered the accident and health field, is the first Canadian life company to form an accident and health department.

## SALES MEETS

### Mutual Life Holds Conference for N. Y. C. Agents

NEW YORK—"We are going to win this war as we did the last, and life insurance will again play its part, both in men and money," Alexander E. Patterson, vice-president of Mutual Life, told 225 agents and managers of the company's seven New York City agencies at a conference here.

Life insurance will play a big part in economic reconstruction after the war has been won, Mr. Patterson asserted. While much is said of the economic



At New York City agency conference of Mutual Life of New York: Facing camera, left to right, A. E. Patterson, executive vice-president; L. W. Dawson, vice-president and general counsel; H. L. Taylor, one of the seven New York City managers, and Julian S. Myrick, second vice-president.

crisis and economic revolution, life insurance is strongly entrenched in the minds of the American people, and policyholders will fight to maintain it.

Agents not called into service will also be serving their country if they do three things: Help prevent inflation; keep the wives and children of America protected by dollars and dollar income, and keep in touch with policyholders and help them conserve their insurance.

The conference featured three round table discussion groups. It was opened

by LeRoy Bowers, dean of Mutual Life's New York City managers. Others who participated at the meeting included Julian S. Myrick, second vice-president; Clifford B. Reeves, assistant to the president; J. Roger Hull, vice-president and manager of agencies; Leigh Cruess, vice-president and manager of selections; Joseph Maclean, vice-president and actuary; Roger Bourland, director of sales promotion; A. C. Webster, assistant manager of selections; Tony Haas, assistant to Vice-president Hull, and Leland T. Waggoner, agency assistant. Hosts of the conference were Mr. Hull and the seven New York City agency managers: Mr. Bowers, Philip D. Cunningham, Harold L. Taylor, John L. Kassoff, William H. Kee, Albert H. Jones and Richard E. Myer.

In his talk on "What's Ahead for Mutual Life Underwriters," Mr. Hull said that most of the worthwhile ideas in life insurance are contributed by those in the field who know what the public wants and what the company needs.

Mr. Reeves stated that "no one is as important to the good will of the public toward insurance as the agent himself. Consequently on him depends primarily the success or failure of any public relations program."

Surveys made to determine the public attitude toward life insurance as a whole, Mr. Reeves said, reveal that 93 per cent of those interviewed believe the agent is efficient and competent, although 40 per cent said that they did not always like his methods. In the survey 49 per cent indicated that they purchase their insurance solely as the result of the agent's efforts.

#### American National Regional

DALLAS—Texas, Oklahoma and Colorado agents and managers of American National Life met at Fort Worth for a 2-day regional convention held in lieu of the annual convention that was canceled this year. G. S. McCarter, superintendent of agencies, was in charge.

Joe Sain and Omar E. Hill, agency supervisors, presided at the sessions the first day. The second day was taken up by personal conferences. Speakers included C. M. Watt, Dallas, division manager of the Retail Credit Company; Barrett Woodsmall, Chicago, vice-president of the American Service Bureau; State Senator J. E. Martin, and Mr. McCarter.

A number of company men made brief speeches on the place of life insurance during the war and methods of meeting war-time objections included. The parley closed with an informal banquet.

#### Loyal Protective Conference

Loyal Protective Life is holding an educational conference for its general agents in the east and central west in Erie, Pa., starting Wednesday and continuing through Saturday. J. W. Martin, general agent for the Pacific northwest, with headquarters in Portland, Ore., also was invited to attend and give a demonstration of some of the methods he has used. Another similar meeting will be held later in Portland for the coast contingent.

#### Security L. & A. Parley in Utah

Security Life & Accident held a two-day sales meeting in Salt Lake city in charge of D. C. Stephens, general agent. Lyman Baldwin, superintendent of agencies; W. J. McGettigan, accident and health manager, of the home office, and F. W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER, spoke.

#### Columbus Mutual Men Meet

LANSING, MICH.—Birney E. Ludwig, Lansing, and Nicholas Mer-

#### THOMAS H. STEERS

Office Planning and Methods Consultant

for  
LIFE, FIRE AND CASUALTY INSURANCE COMPANIES  
Conway Building  
Chicago, Illinois

## Business Is Good, Thank You

#### NEW PAID BUSINESS

22% ahead of first quarter in 1941.

#### GAIN OF INSURANCE IN FORCE

Almost double the gain for the first three months of 1941.

#### RENEWAL LAPSE RATIO LOWEST IN COMPANY'S HISTORY

Only 2.65% for the quarter.

#### EARNINGS OF FIELDMEN

are increasing correspondingly. The report to the Insurance Section of the S. E. C. to the TNEC stated that Indianapolis Life's full-time men earned the largest average income of any company studied.

Sales plans and home office cooperation are geared to meet the requirements of 1942, and Indianapolis Life's alert fieldmen are MAKING BUSINESS GOOD.

### INDIANAPOLIS LIFE INSURANCE COMPANY

A Mutual, Legal Reserve Company, growing solidly on tested principles and high ideals of quality and service.

Over \$122,000,000 in Force

Agency opportunities in Indiana, Illinois, Ohio, Michigan, Minnesota, Iowa, Texas and California.

EDWARD B. RAUB  
President

A. H. KAHLER  
2nd Vice-President  
Supt. of Agencies

## ROSE GLASSES FOR BLUE

Three men were in a slump—their low morale disturbing others. Finally they agreed to try the Head Office Lead Service.

In the first month they wrote thirteen cases from leads, with \$5,333.20 in premiums—developed collateral business too. Blue glasses gave way to rose colored glasses. The whole office benefitted.

This is a typical example of Fidelity's Lead Service as it has operated for twenty-seven years during which \$256,525,101 of business has been written as a direct result—with millions more indirectly.

This, too, is but an example of the complete working kit available to Fidelity agents.

The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY  
PHILADELPHIA  
WALTER LEMAR TALBOT, President



rick, Detroit, were reelected for three-year terms as members of the cabinet of the Michigan State Columbus Mutual Life Insurance Club at the annual meeting here.

B. G. Ball, assistant treasurer, reported liberal investments in U. S. bonds. Columbus Mutual held \$2,500,000 in U. S. bonds at the end of 1941 and bought an additional \$50,000 worth of bonds last month. Columbus Mutual was allotted only 32 per cent of its last \$1,000,000 subscription to governmental bond issues. Employees are all buying war bonds on the payroll deduction plan.

Dr. Floyd M. Green, medical director, described life insurance salesmen as "agents of happiness." He told of several incidents in which life insurance bequests, in some cases unexpected, had created happiness for many persons.

Myron Hawkins, Charlotte, president of the state club, presided and George J. Dobben, Jackson, presented a sales demonstration. James M. Preston, sales manager, talked on "Ways to Benefit from the State Required Sales Course."

#### McNally New President

The General Agents Association of the Massachusetts Mutual held its annual business conference in Detroit. "Better Ways of Doing a Better Job in War Time" was discussed. M. R. Orr of Philadelphia, president of the association, presided. F. T. McNally of Minneapolis was elected as new president, and J. W. Tyson of Richmond was elected vice-president. John F. Cremen of Washington was reelected secretary-treasurer.

#### Washington National Parley

Washington National will hold a fall sales clinic for agents in its Atlantic division at Wawasee, Ind., Sept. 17-19.

#### Plan Quarter Million Banquet

The annual membership banquet and presentation of certificates will be held April 24 by the San Francisco Quarter Million Round Table. Charles E. Moore, president Moore Machinery Company, who has just returned from England as a member of the Harriman commission, will speak on "England—Industry in Wartime."

#### Celina Leads in Barnes Campaign

The Celina agency of Ohio State Life was first in the campaign in honor of Frank L. Barnes, vice-president and agency director. In March Ohio State wrote 18 percent more than in the same month a year ago.

## McCormick Heads Home Office Agency

DES MOINES—Frank L. McCormick, a home office field supervisor of Equitable Life of Iowa, has been named Des Moines general agent. He succeeds the late Grady V. Fort as head of the Des Moines unit, which serves a wide territory in central and southern Iowa.

Mr. McCormick began his career with Equitable of Iowa in 1927 as Oskaloosa representative of the Des Moines agency. He became a substantial producer, and attained a record of one or more applications for a week for 375 consecutive weeks.

In 1937 he was made district agent at Oskaloosa, and in 1939 he was advanced to the home office position of field supervisor, assisting general agents throughout the country in recruiting and training new agents, and in other phases of agency management.

## Canada Life Appoints New Manager in Winnipeg

Canada Life has appointed G. A. Prang manager of its branch in Winnipeg. S. M. Scott, branch supervisor, is continuing in that capacity.

Mr. Prang has been with Canada Life since 1923. He has had many years experience both in Ontario and western Canada. For the past six years he has been in Brantford as district manager of the central Ontario branch. He has been a member of the production clubs on many occasions.

#### Mason Supervising Assistant

R. C. Mason has been made supervising assistant in the Des Moines agency of Mutual Life by Thomas B. Read, manager. He has been with the agency since April, 1941.

#### Meissinger With New York Life

William Meissinger of Topeka, has joined the agency department of New

## Made Sole Manager of Philadelphia Office

F. Arthur Tucker has been appointed sole manager of the Philadelphia (Tucker) agency of Union Mutual Life of Portland, Me., according to an announcement by R. E. Irish, president.

His appointment is occasioned by the retirement of his father, Frederick Tucker, after 30 years of service with the Union Mutual. Father and son have been co-managers of the agency since 1935 when the younger Tucker joined his father in the business. F. Arthur Tucker is a C.L.U. and began his insurance career in 1930 as an agent for the Penn Mutual. The former agency, named Tucker & Tucker, was a partnership which now is dissolved.



E. A. Tucker

York Life and will work out of Wichita, covering 64 counties in Kansas. For the past three years he has been with the Meade Investment Company, Topeka, and before that with Mutual Life.

#### deMacarty Agency Organizer

Paul A. H. deMacarty has been appointed agency organizer in Hartford of the Mutual Life under William F. Morgan, manager. He has been in life insurance work 18 years, and as a producer has been a leader both in volume and in consecutive weekly production.

#### Smith and Norton Transferred

George Paul Smith, agency director of the Commonwealth branch in Boston of New York Life, has been appointed Worcester, Mass., agency director, and Paul A. Norton, Mr. Smith's predecessor in Worcester, has been named agency director of the New England branch in Boston.

Mr. Smith is vice-president of the Massachusetts Association of Life Underwriters.

Frank B. Summers, inspector of agencies, Boston, presided at a dinner in Worcester, honoring Mr. Norton and Mr. Smith.

#### Advertisement



A mouthful, but he said it seventy years ago (in 1871, to be exact, in Lewis Carroll's "Through the Looking Glass") and times have certainly changed a lot since then.

If the Walrus were alive today he would say "the time has come" to talk of war and war savings bonds and stamps, and of Life Insurance, instead of "shoes and ships and sealing wax, of cabbages and kings."

Cabbages are still all right, for people eat as much kraut and Cole slaw today as they ever did; and Iowa produces 9,000 tons of cabbage each year; which is a heap of heads.

But Kings are *de trop*, which is high-brow for "they just don't exist." Except of course, the Kings of England and Greece, and Norway and Egypt. But what's become of Manuel, of Portugal, who used to have such a swell lady friend, and Carol of Rumania, whose lady friend can't go everywhere he goes; and a host of others whose crowns are now being turned in for war salvage, along with toothpaste tubes and aluminum pots and pans.

Lewis Carroll was all right about shoes, but imagine opentoed shoes when Victoria was Queen. And as for ships; well, the United States is in the midst of the greatest shipbuilding campaign the world has ever known; bottoms to carry war material and Red Cross supplies all over the world.

But sealing wax isn't used to seal up love letters any more; about the only place you find it now is on the big heavy envelopes that contain your bonds when they're shipped in.

Lewis Carroll had a good hunch, but if he were pounding the typewriter today he'd be urging every patriotic American to buy War Savings stamps and bonds, and to take out new Life Insurance policies and keep up the old ones and increase them as much as possible, because there is absolutely nothing more important nowadays (outside of munitions and war bonds) than to have ample protection for every member of the family against inevitable death.

And speaking of Life Insurance, it is pertinent to say that the Double Duty Dollar Plan of the Bankers Life Company is being nationally advertised, month after month, in the Saturday Evening Post and Time.

**BANKERS Life COMPANY**  
DES. MOINES

# THE MANUFACTURERS

NEVER was the work of the Life Insurance representative of more importance to the community than it is today.

The security which he offers helps counteract the effect of worry and uncertainty. Every new life he insures helps the national economy in time of need and builds towards a stable and normal future.

INSURANCE IN FORCE, 632 MILLION DOLLARS  
(Including Deferred Annuities)  
ASSETS, 205 MILLION DOLLARS

# LIFE

INSURANCE COMPANY  
HEAD OFFICE  
TORONTO, CANADA  
Established 1867

## Latest Data of Policy Changes

The National Underwriter is the only weekly insurance newspaper providing its readers with important last minute policy and dividend changes. Compiled by John H. Rader, National Underwriter statistician, these weekly reports supplement the data contained in the Little Gem, published in March at \$2.50 a copy, and the Unique Manual-Digest, published in May at \$5 a copy.

### Comment on Policy as to War Clause

The Equitable Society in announcing its policy on war clauses advocates the principle that all service men must be encouraged to avail themselves of the maximum amount of national service life insurance which carries no war restrictions. However, it finds there are instances where the service man's financial status, independent of his service pay, indicates the long time need for insurance additional to the \$10,000 maximum of national service life insurance, plus any other insurance he may have in force. The Equitable then says:

"Recognizing this limited field in the armed forces for Equitable coverage, henceforth it will consider a service man, provided we can be assured that he has taken advantage of the maximum amount of national service life insurance; that he definitely understands the war and aeronautics restrictions embodied in any contract the company may offer and that there exists a clear insurance need and ability to carry such restricted additional insurance.

"To establish the applicant's qualifications under these provisions, the agent must submit with the application his certification that the applicant carries the maximum amount of national service life insurance (\$10,000) and that he has made it a point to explain to the applicant that Equitable coverage, if issued, will carry war and aeronautics restrictions not included in national service life insurance. The agent must also furnish all information at his disposal relative to the applicant's financial position and definite need for insurance coverage with war restrictions, in excess of the unrestricted national service life insurance and any other insurance then in force on the applicant's life.

"In the case of a man who is not as yet in the armed forces, but has offered his services, or, has definitely decided to do so, or one who has been classified 1-A under the selective service act and has been notified that he must present himself for service on a given day, the requirements will differ from the above only in that the agent's certification shall state that the applicant has expressed his intention to apply for the full amount of national service life insurance (\$10,000) on entering the service.

"Term insurance and the additional indemnity and premium waiver features will not be available to these men. The company cannot extend this offer of insurance to officers and men in the air corps with flying status, or to those who have enlisted for such service."

### Atlas Life Adopts Interesting War Clause

The Atlas Life of Tulsa has adopted a war clause based on actual mortality on policyholders who are in the armed services. The rider contains the ordinary exclusions. In a separate clause there is an exception provision calling for payment to the beneficiary of 10 percent of the face amount immediately, or a sum equal to premiums paid, whichever is the larger, less any indebtedness. At the end of the war the company agrees to pay the beneficiary up to the face amount in proportion as the tabular rate of mortality is to the actual rate of mortality experienced by the company over the entire period of war time exposure on all army risks, less the 10 percent or amount of premiums returned.

### West Coast Life Announces Changes

West Coast Life announces that effective May 1, it will put into effect new 3 percent premium rates and reserves. The increase in the participating department is slight. As regards non-participating rates, the effect of the reduced interest assumption is to make a greater increase in endowment forms than in those in which the mortality element predominates such as term insurance. Cash values, of course, have been increased. Policy loan interest is reduced from 6 to 5 percent. The 5 percent rate is also used in connection with reinstatements and change of plans. The change of plan clause now provides for difference in reserves, if such is greater than the difference in premiums plus interest. The period for selection of non-forfeiture options before application of the automatic non-forfeiture feature, viz., paid up term insurance, has been changed from three months to two months. Loan term insurance has been left out of the new policies because experience has shown that it was rarely taken advantage of and did not seem to meet a public need.

#### Changes Are Made

Insurance with life income and family income retirement annuity at 65 are in the rate book in units of \$1,500. This provides \$10 monthly income to a male at maturity guaranteed for 100 months and for life thereafter. For females it provides \$8.80. The family income whole life policy, non-participating, has been changed to family income endowment at 85. The premiums for this are now payable only during the family income period, after which the premiums are reduced to the premium for an endowment at 85 non-participating. Yearly renewable term to 65 has been changed to yearly renewable term to 60 with whole life thereafter. Juvenile contracts will be issued on the participating as well as the non-participating forms.

On dividends left to accumulate the guaranteed interest rate has been changed from 3 percent to 2½ percent. The \$500 policy rates, child's educational endowments, 10-payment life, 10-year

endowment, 10-payment 20-year endowment, and the single premium 10-year endowment have been left out of the new rate book.

The mortgage protection policy, non-participating, is a new contract designed to provide for repayment in the event of death, of outstanding balances on mortgage loans repayable during a fixed amortization period.

The company states that for some time there has been a demand on part of the agents for the accidental death benefit without dismemberment, for which the premiums would be payable for the same period as the policy in connection with which the agreement is issued. The new supplemental accidental death agreement provides this type of coverage. It is non-cancellable.

### Prudential Has New Term to 65 Modified Form

Prudential has just announced introduction of a new term to age 65 policy with a modified premium arrangement under which the premium for the first three years is 85 percent of the premium to be paid subsequently. Issue of these policies is limited to ages 17-44 inclusive and minimum amount is \$2,500.

The contract contains cash values, reduced paid up and automatic extended insurance, but no loan values, as any loan granted if not repaid would exceed the reserve some time before the end of the term because the reserve reduces to zero at the end of the policy term.

#### Privilege of Conversion

There are provisions for conversion to another form of policy, which may be made at any time during the term period and prior to the insured's 65th birthday, but no provision is made for automatic conversion at the end of the term period.

Prudential has revised the 10, 15 and modified 20 year term policy forms and now includes a conversion privilege similar to that for the modified term to age 65. These contracts do not contain non-forfeiture values.

A change also was announced in age limits for Modified 5 policies and family income contracts. Modified 5 hereafter will be issued at ages 17-60, inclusive, and family income policies ages 20-50 in-



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FULL BENEFIT AGE 5**

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WM. J. ALEXANDER, PRESIDENT



clusive. This represents for both contracts an extension of age limits.

Prudential states due to low initial premium there probably will be no divisible surplus with which to pay a dividend on the modified term to 65 until the end of the third policy year. The usual dividend options, except paid-up addition, are offered, but the plan contemplates use of dividends to offset the increase in premium after three years. Premium rates for this contract, and the rates for ages 17-50 on the modified life 5 and for ages 46-50 on family income are:

Age	For 3 Years	Thereafter	Age	For 3 Years	Thereafter	Age	For 3 Years	Thereafter
17	\$12.01	\$14.13	26	\$13.98	\$16.45	35	\$17.02	\$20.02
18	12.21	14.36	27	14.23	16.74	36	17.48	20.56
19	12.41	14.60	28	14.50	17.06	37	17.98	21.15
20	12.60	14.82	29	14.81	17.42	38	18.48	21.74
21	12.81	15.07	30	15.13	17.80	39	19.03	22.39
22	13.04	15.34	31	15.46	18.19	40	19.61	23.07
23	13.25	15.59	32	15.82	18.61	41	20.22	23.79
24	13.47	15.85	33	16.20	19.06	42	20.86	24.54
25	13.72	16.14	34	16.59	19.52	43	21.55	25.35
						44	22.28	26.21
(Mod Life 5)			(Fam. Inc., Mod. Life 3)					
17	11.16	20.05	46	62.08	71.32	49	72.81	83.64
18	11.40	20.51	47	65.39	75.12	50	76.88	88.32
19	11.65	20.99	48	69.00	79.26	...	...	...

### Berkshire Announces New Income Continuation Form

The monthly income continuation policy of Berkshire Life provides an income which commences on the death of the insured and continues until one month before the expiry date. Since this is a term policy, it is not available for females. The minimum policy issued will be for \$20 monthly income; the amount of income must be an even multiple of \$2.50 and the maximum issued will be \$250 monthly income.

The policy may be converted without medical examination at any time prior to age 55, or within five years from date of issuance if such period runs later than age 55, to any form of life or endowment for such amount as the premium paid will purchase at the attained age on the ordinary life basis. The new policy will be dated as of the date of conversion at the attained age.

Dividends will be paid annually, the first year dividend contingent upon payment of the second year premium. Disability, but not double indemnity, is granted. The premium rates are:

Age	10 Yr.	15 Yr.	20 Yr.	25 Yr.	Expg. Yr.	Expg. Age
20	\$9.76	\$10.16	\$10.96	\$12.20	\$21.56	\$24.76
21	9.84	10.32	11.24	12.56	21.56	24.76
22	9.92	10.48	11.48	12.92	21.56	24.76
23	10.00	10.64	11.72	13.24	21.56	24.76
24	10.08	10.80	11.96	13.60	21.56	24.76
25	10.16	10.96	12.20	13.92	21.56	24.76
26	10.32	11.24	12.56	14.44	21.56	24.76
27	10.48	11.48	12.92	14.92	21.60	24.76
28	10.64	11.72	13.24	15.44	21.76	24.76
29	10.80	11.96	13.60	15.92	21.92	25.04
30	10.96	12.20	13.92	16.40	22.08	25.32
31	11.24	12.68	14.56	17.12	22.28	25.68
32	11.52	13.12	15.16	17.82	22.48	26.04
33	11.76	13.56	15.80	18.48	22.68	26.40
34	12.04	14.00	16.40	19.16	22.88	26.76
35	12.28	14.44	17.00	19.84	23.08	27.12
36	12.76	15.04	17.76	20.76	23.32	27.56
37	13.20	15.64	18.48	21.64	23.56	28.00
38	13.68	16.24	19.20	22.52	23.80	28.44
39	14.12	16.84	19.92	23.40	24.04	28.88
40	14.56	17.40	20.64	24.28	24.28	29.32
41	15.24	18.28	21.68	25.84	24.56	29.84
42	15.96	19.12	22.68	27.36	24.84	30.36
43	16.64	19.96	23.68	28.88	25.12	30.88
44	17.32	20.80	24.68	30.40	25.40	31.40
45	18.00	21.64	25.68	31.92	25.68	31.92
46	19.00	22.80	27.52	...	26.00	32.48
47	19.96	23.92	29.32	...	26.32	33.04
48	20.92	25.04	31.12	...	26.64	33.60
49	21.88	26.16	32.92	...	26.96	34.16
50	22.84	27.28	34.72	...	27.28	34.72
51	24.12	29.24	...	...	27.64	35.24
52	25.36	31.16	...	...	28.00	35.72
53	26.60	33.08	...	...	28.36	36.16
54	27.84	35.00	...	...	28.72	36.56
55	29.08	36.92	...	...	29.08	36.92

### Sun Life, Canada, Revises Setup on Income Plans

Sun Life of Canada, with adoption of a 2½ per cent settlement option basis, has revised its income plans accordingly. It has added "family maintenance" and an unusual plan called "family protection and retirement."

This latter plan is a family income form which pays 25 per cent of the basic policy at death, 1.25 per cent monthly to

the end of the period and then the remaining 75 per cent of the basic policy. If the insured outlives the family protection period, he may elect to continue the same premium and provide a life income at age 65. In lieu of this option he may continue the coverage as ordinary life with a corresponding reduction in premium.

Income endowment and retirement annuity plans require a higher maturity value and consequently a higher premium. The income endowment now carries \$1,500 insurance instead of \$1,000. The several family contracts are illustrated in the accompanying table:

Age	Fam. Prot. & Insurance 10 Yr.	Family Income 20 Yr.	Family Maintenance 20 Yr.
20	\$21.85	\$25.65	\$23.95
21	22.25	26.10	24.40
22	22.75	26.60	24.90
23	23.25	27.20	25.45
24	23.75	27.75	26.00
25	24.25	28.35	26.55
26	24.85	29.00	27.20
27	25.40	29.70	27.85
28	26.05	30.50	28.60
29	26.65	31.30	29.35
30	27.35	32.15	30.15
31	28.05	33.10	31.00
32	28.85	34.15	31.95
33	29.70	35.25	33.00
34	30.60	36.50	34.15
35	31.55	37.80	35.30
36	32.55	39.20	36.55
37	33.65	40.75	37.95
38	34.80	42.40	39.40
39	36.05	44.20	41.00
40	37.35	46.10	42.70
41	38.80	48.25	44.60
42	40.30	50.45	46.55
43	41.90	52.90	48.70
44	43.65	55.50	50.95
45	45.50	58.35	53.45
46	47.45	...	56.10
47	49.60	...	58.95
48	51.85	...	61.95
49	54.25	...	65.25
50	56.85	...	68.75
51	59.60	...	72.30
52	62.60	...	76.00
53	65.75	...	79.85
54	69.15	...	83.85
55	72.80	...	88.05

†Premiums based on ordinary, but may be issued with several other plans.

### Pacific Mutual Revises 1942 Dividend Scale

Pacific Mutual announced a new scale of annual dividends will be put into effect May 1 on all participating policies where the next anniversary occurs on or after May 1, 1942. This change will affect all contracts, old and new.

The new scale results from a complete revision of all factors pertaining to dividends. The interest rate used in the formula has been reduced from 3.75 percent to 3.5 percent to conform more nearly to present conditions. A study of mortality permits increased mortality returns at younger ages at issue and at early durations.

These changes produce increased dividends on some of the lower premium plans and at the younger ages, but decreased dividends at higher ages, later durations and on the higher premium types of contract.

### Union Central Life's Pure Protection Plan

The Union Central pure protection plan is based on non-renewable, non-convertible term insurance issued for 5, 10, 15 or 20 year periods. The purpose of this plan is to answer those who may object to insurance on the basis that the future is uncertain, there may be infla-

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## Record of Earnings with the Western Life in a metropolitan area

Agency established more than fifteen years.

Year	Per. Prod.	Earnings on Per. Prod.	Total Agency Prod.	Total Earnings
1939	\$110,333	\$2,104	\$529,612	\$ 6,716
1940	\$166,449	\$3,160	\$533,821	\$ 7,966
1941	\$229,442	\$4,746	\$751,143	\$11,101

General agency openings in California, Oregon, Washington, Idaho, Montana, Utah and Wyoming. Look up our financial statement.

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## Representatives are Successful

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Year 1941  
28% Over  
1940

Low  
Termination  
Actual Terminations  
were 19% lower  
than in 1940

Average Size Policy  
Increase Each  
Year  
Average Size Policy  
paid for in 1941  
was \$3,642

Gain of  
Insurance in  
Force  
A 7½%  
Gain of  
Insurance in  
force  
in 1941

Territory Available for New General Agencies

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tion, or that the insured may be taken into the army. The underwriter is in a position to suggest that additional insurance be taken to make up for inflation and similar contingencies, and that it be taken on this low-cost form so that the insured will be charged with nothing but the temporary cost to cover a temporary situation.

The premiums for these plans are exactly \$2 less than the company's premiums for regular term plans for like periods.

### Reliance Life Adopts New Dividend Scale

Reliance Life has adopted a new dividend scale for participating policies issued at the 3 percent new rates effective Feb. 1. Dividends have been figured so results will be consistent with the old policies on the 3½ percent reserve basis. Illustrative dividends were

announced per \$1,000 for four forms and a more complete dividend booklet is in process of preparation. The illustrations are:

Ordinary Life Special						
Age	(Dividends End of Year—)					Total 20 Yrs
	1	5	10	15	20	
25	1.24	\$2.49	\$4.12	\$4.92	\$5.30	\$76.57
35	1.32	2.60	4.27	5.25	5.75	81.05
45	1.42	2.74	4.45	5.73	6.31	87.15
55	1.49	2.87	4.49	6.15	7.18	93.02
Endowment at 85						
25	\$1.84	\$2.90	\$4.07	\$5.36	\$6.17	\$83.66
35	2.27	3.35	4.56	5.99	6.77	94.22
45	2.92	4.04	5.15	6.64	7.71	107.83
55	3.79	4.82	6.19	8.26	9.63	132.56
20 Payment Life						
25	\$1.16	\$2.28	\$3.54	\$5.09	\$6.12	\$74.90
35	1.51	2.65	3.95	5.63	6.71	84.11
45	2.17	3.34	4.55	6.33	7.71	98.22
55	3.29	4.32	5.76	8.02	9.64	125.47
20 Year Endowment						
25	\$2.27	\$3.49	\$4.90	\$6.90	\$8.34	\$105.60
35	2.52	3.74	5.16	7.19	8.65	111.03
45	3.01	4.24	5.53	7.59	9.25	120.11
55	3.81	4.92	6.41	8.78	10.59	139.48

## AGENCY MANAGEMENT

### Three General Agents Give Fine Program at Chicago

Morale, agency building, and comment on the Washington scene as relating to life insurance, provided an intensely interesting program at the life agency managers section of the Illinois Association of Life Underwriters held in Chicago last Friday. J. H. Brennan, Fidelity Mutual, Chicago, president Life Agency Managers of that city, presided. P. B. Hobbs, Equitable Society, Chicago, state chairman of the managers section, also officiated.

Benson, Conrey, Zimmerman Speak.

Judd C. Benson, Cincinnati general agent Union Central, gave an inspirational address on building morale and proper mental attitude in an agency; K. W. Conrey, Pittsburgh general agent Penn Mutual, gave a very practical talk on recruiting, analyzing results in new organization, and C. J. Zimmerman, Connecticut Mutual, Chicago, past president National Association of Life Underwriters, brought the latest views on hearings in Washington on proposed federal tax measures.

#### Four Factors Are Stressed

Mr. Benson said the four principal factors in establishing good morale in an agency are faith, a desire to succeed, being a constructive force and intelligent activities. In his agency he is far more interested in building good morale than in teaching any specific sales methods. He has adopted eight rules for his agents. These are: Physical fitness, improve one's knowledge every day, establish and maintain regular hours, do not go home for supper until you have seen one new prospect whom you have not called on before, qualify your prospects on their ability to think rather than upon their need for life insurance and their ability to pay, do not

talk to your fellow agents, have an active part in some civilian activity which is helpful in the war efforts of the country, have regular hours for work and other hours for relaxation.

Mr. Benson said in normal times there may be a difference of at least 25 percent in production between good morale and bad morale but today this factor is even more important and accounts for as much as 50 percent of the production of any group of men in a given territory.

In the past men had only to sell life

insurance; now they have to sell that and also to sell a philosophy of living. Mr. Benson finds his agents have to have implicit faith that they are living in the greatest country in the world, and that life insurance is the greatest medium for economic security. They must have faith in their agency and company, and a burning desire to succeed in life insurance selling. Unless they have that they can always escape to industry or any of its branches because of the high scale of pay to be found there.

The agent must feel that in selling life insurance he is discharging his responsibility to his country in time of emergency, otherwise he is dissatisfied. He must be made to feel that he is a constructive force in the nation as well as community.

#### Conrey Presents Figures

General Agent Conrey gave interesting results from analysis of his new organization production at Pittsburgh in 1941 and at Grand Rapids in 1938-1940. Continual recruiting is most important today, he said. In his agency it is necessary to recruit three men to show one permanent addition and because of the war situation recruiting is being done in the older age brackets. Due to occupational war dislocation many good men are available to agencies today, which was not true a year or more ago.

Mr. Conrey said good salesmen may be found in such lines as automobiles, electrical appliances, air conditioning, advertising, bakery, clothing, dairy products, insulation machinery, manufacturers agents, paint, paper, real estate, tire and washing machines.

The three best sources of contacts still are personal friends of general agents or supervisors, recommendations of one's own agents, and centers of influence, Mr. Conrey said.

His new organization at Grand Rapids in 1938 amounting to 11 new agents paid for \$326,942 or 12.6 percent of the

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agency total. The next year eight new agents produced \$485,716 or 15.6 percent. In 1940 nine new agents produced \$252,486 or 8.1 percent. Of 28 agents contracted in the three years, 16 contracts were canceled and net gain from new organization was 12 agents. The total three-year paid life volume from new organization was \$2,006,786 or 22.8 percent. In 1941 eight new agents produced \$485,759 or 6.7 percent of agency total with average production of \$60,719.

Mr. Zimmerman discussed federal legislation and taxation in relation to life insurance, giving some of the penetrating views which he presented elsewhere only recently and which were published in *THE NATIONAL UNDERWRITER*.

### Detroit Managers Elect; Zimmerman, Taylor Speak

John B. Ames, Lincoln National Life, was elected president of the General Agents & Managers Association of Detroit at the annual meeting there. Other officers are Humphrey Marshall, Metropolitan, vice-president; Arthur P. Johnson, Great-West Life, treasurer, and Charles A. Macauley, John Hancock Mutual; Seth W. Ryan, Penn Mutual; J. L. Lee, Phoenix Mutual Life; C. C. Otto, Mutual Benefit, and E. P. Balkema, Northwestern National, directors.

C. J. Zimmerman, general agent of Connecticut Mutual at Chicago, and S. C. H. Taylor, agency superintendent of Sun Life of Canada, spoke.

Surprisingly enough, Mr. Taylor said, the reduction of the field forces of the Canadian companies due to military service has actually had a beneficial effect upon the sale of new business. Sun Life, he said, has lost nearly one-half its field force to the war effort, yet during the past year the new business of the company has increased 47 percent as compared with the previous year.

Noting the tendency of both congress and the public to think of life insurance as "big business" and to think of big business in terms of huge profits, Mr. Zimmerman declared that the public does not sufficiently note the line of demarcation between life insurance and what is generally conceived to be actual big business—steel, railroads and the like.

### N. J. Managers Hold Luncheon

The Life Insurance General Agents & Managers' Association of Northern New Jersey held a luncheon meeting in Newark April 23 for discussion of current problems. Defense bond sales also were discussed. J. Elliott Hall, Newark general agent of Penn Mutual Life, was chairman.

### To Discuss Training, Supervision

Another meeting on present-day agency problems, with the discussion centered on training and field supervision, is planned by the San Francisco General Agents & Managers Association. Discussion leader will be R. Edwin Wood, Phoenix Mutual Life. The last meeting was on recruiting and financing agents, with J. H. Rowe, Bankers Life, leading the discussion.

### Favor Staggered Working Hours

LOS ANGELES—Directors of the Life Insurance Managers Association of Los Angeles have endorsed the program of staggered working hours for downtown Los Angeles, recently adopted by the Merchants & Manufacturers Association, and recommended that the association members should give it their full cooperation.

### Rogers Transfers to Wyoming

Joseph W. Rogers, agency organizer in the Denver agency of Mutual Life of New York, is being transferred to Laramie, Wyo. Mr. Rogers is in charge of selection, training, and supervision of new Mutual Life field underwriters in southern Wyoming and northern Colorado.

## FRATERNALS

### Brotherhood Rate Revision Succeeds

CLEVELAND—Conversion of the Brotherhood of Locomotive Firemen & Enginemen beneficiary department from level rate to legal reserve plan is about completed and has been unusually successful. Practically all insurance has been converted without appreciable loss. Since the department was revised, about \$3,000,000 in new certificates has been issued.

Under the old rate plan, the society was successful but faced a growing hazard as the age of members increased. In 1935 the Brotherhood made insurance optional with members and for the next six or seven years there was no gain or loss, whereas previously substantial membership gains were shown each year. The fund always had increased and continued to do so even after 1935, but it developed that as average age increased, with corresponding rise in mortality rate, the fund gain gradually diminished and was approaching the point where receipts from assessments would be insufficient to meet maturing claims.

#### Sought Actuarial Solvency

It was deemed expedient to make the revision before any deficit could accrue, and to attain a state of actuarial solvency before the crisis occurred. This action was taken at the convention last fall.

Today the fraternal has the necessary reserves to meet all obligations. The reserve fund is more than \$24,000,000, there is approximately \$86,000,000 insurance in force, 46,000 certificate holders, and about 1,100 new members are being added each month, of whom about one half take life insurance.

Approximately \$500,000 was paid out in claims in the first quarter of 1942.

#### Lodges Aid in War Work

Through its 400 local circles in the ten states and the District of Columbia in which Protected Home Circle operates, a vast amount of individual war work is being done. Many local circles have invested circle funds in war bonds. Some circles are centers for Red Cross work, including knitting and sewing as well as first aid training. Other circles keep in close touch with the members in the armed forces by letters and gifts, particularly cigarettes.

More than 300 field representatives of the society are participating in the sale of bonds in cooperation with other life company men.

At the present time around 500 so-

ciety members are serving in the armed forces.

### Bishop Shiel to Address Chicago Celebration

The Most Rev. B. J. Shiel, D.D., auxiliary bishop of Chicago and director of the Catholic Youth Organization, will deliver the principal address at the big celebration in the Morrison hotel, Chicago, the evening of May 5, as a part of national observance of National Fraternal Life Insurance Week, May 4-9.

Thomas R. Heaney, president National Fraternal Congress and high secretary of Catholic Order of Foresters will extend greetings. Approximately 4,000 persons are expected to attend. There will be dancing from 10 to 1 a.m.

#### Two Staff Changes in Society

R. E. Hopley of the Lutheran Brotherhood agency department has left for war work, being employed by the federal cartridge division of the Twin Cities ordnance plant at New Brighton, Minn. Kenneth Severud who has been in the home office for some time variously attached to the accounting, actuarial and conservation departments, has been assigned to the agency service department.

#### Society Head's Wife Dies

Mrs. J. M. Kirkpatrick, wife of the head of Security Benefit, died at Topeka following a major operation several weeks ago.

#### Fight Fidelity Reorganization

MADISON, WIS.—J. Ward Rector and R. H. Lauritzen of the Wisconsin attorney-general's staff have left for Richmond, Va., to argue the Fidelity Assurance reorganization case before the U. S. circuit court of appeals. A decision of the federal court in West Virginia turned over control of about \$2,000,000 in securities, deposited in Wisconsin to protect state investors in certificates, to a receiver appointed for Fidelity. The Wisconsin authorities maintain that Fidelity Assurance was reorganized from Fidelity Investment as an insurance company and the court cannot now permit its reorganization under the federal bankruptcy act because of a clause expressly exempting insurance corporations from the provisions of the act.

#### Silva Supervisor at Havana

Raoul Fernandez Silva has been named field supervisor for Cuba by United States Life. He will assist A. H. Winston, Jr., who is in charge of the Havana office. Prior to joining United States Life Mr. Silva was connected with National City Bank and studied law at Havana University.

## PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

### A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

WE WRITE

LEGAL RESERVE LIFE INSURANCE  
FOR MEN, WOMEN, AND CHILDREN

A Policy to Fit the Need—

A Rate to Fit the Purse

INQUIRIES FROM PROSPECTIVE AGENTS INVITED

STANDARD LIFE ASSOCIATION

HOME OFFICE

FOUNDED IN 1890

LAWRENCE, KANSAS

## NO INSURANCE ORGANIZATION

... in the United States bases its reserves on a higher standard, or has more dollars of admitted assets on hand, per dollar of liability, than the . .

## WOODMEN OF THE WORLD

Life Insurance Society

Home Offices — Omaha, Nebr.



Legal Reserve  
Fraternal  
Life Insurance

Since 1894

BEN HUR  
LIFE ASSOCIATION

Home Office: Crawfordsville, Ind.

### PERTINENT FACTS— SUPREME FOREST WOODMEN CIRCLE

Gross Assets ..... \$ 35,970,114.50  
Protection in Force ..... 104,427,445.00  
Total Membership ..... 131,789

Organized into 2,624 Groves in 44 states

Benefits paid in 1941 to members and beneficiaries ..... \$1,899,047.27

Dora Alexander Talley, National President

Mamie E. Long, National Secretary

Home Office, Omaha, Nebraska

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller  
Supreme President

Frances D. Partridge  
Supreme Secretary

Port Huron, Michigan

## NEWS OF LIFE ASSOCIATIONS

### Inviting Program for Iowa Rally

A number of prominent speakers have already been signed up for the annual meeting and sales congress of the Iowa State Association of Life Underwriters in Davenport, June 5-6. Among the speakers that have accepted are P. C. Irwin, associate actuary of Equitable Life of Iowa; Julian Myrick, vice-president of Mutual Life; Paul Millett, attorney and tax consultant of Chicago; James Hack, New York Life, Peoria, Ill., and E. B. Thurman, Chicago general agent for New England Mutual, who will close the meeting with a talk, "The Power of Simplicity." The theme of the meeting is "Efficiency of Life Underwriting."

On June 5, there will be an all day meeting of the Iowa Quarter Million Dollar Round Table; a state association conference in the afternoon; the annual meeting and election of officers in the evening and later a smoker. On June 6 will be held the sales congress. At the morning session there will be formal speeches and in the afternoon there will be three panel discussions, one on business insurance, one on package selling and the third on selling the farmer. There will be a luncheon served to the entire group.

### Richardson Elected Head of North Carolina Group

RALEIGH, N. C.—Regional sales congresses were sponsored by the North Carolina Association of Life Underwriters at Raleigh, Greensboro, Charlotte and Asheville.

John T. Richardson, Raleigh, was elected president; John A. Glenn, Winston-Salem, vice-president; Eric L. Tilley, Durham, vice-president; W. T. Beaty, Raleigh, secretary; and C. M. Hassell, Charlotte, treasurer.

Speakers included Holgar J. Johnson, president Institute of Life Insurance; Clancy D. Connell, New York general agent Provident Mutual Life and National association trustee; Thomas J. Huey, superintendent Prudential, Birmingham, Ala.; A. F. Haas, vice-president and manager of agencies Mutual Life of New York; and Leroy Johnson, Florida manager Sun Life Assurance of Canada.

### Schnell New Head of Illinois Group

The Illinois Association of Life Underwriters at its annual meeting in Chicago elected Frederick A. Schnell, Peoria, Ill., general agent of Penn Mutual Life, as president. He will succeed A. E. McKeough, Occidental Life of California, Chicago.

W. B. Buckley, Metropolitan Life manager at Mount Vernon, Ill., was advanced from second to first vice-president and L. S. Broadus, Guardian Life manager, Chicago, was drafted for second vice-president. T. E. Lauer, district manager Northwestern Mutual Life, Joliet, Ill., was reelected secretary-treasurer.

#### Back Stumm for Trustee

B. J. Stumm, Aurora, Ill., general agent Northwestern Mutual, was unanimously endorsed for trustee of the National Association of Life Underwriters.

Reports showed the association very active in the year with paid membership of 2,740, a figure which is expected to be well exceeded by June 30. A new local association was formed at Carbonale with 58 members and another is in process of being organized at Alton.

The caravan meetings which were tried last year with gatherings at Peoria and Quincy were very successful, President McKeough reported. Another of these meetings will be held at Galesburg April 24. The meeting at Springfield was postponed. Springfield and Jacksonville are eager to secure the caravan and the plan probably will be expanded this year to include several additional meetings.

#### Has Large Paid Membership

Helen C. Dwyer, Peoria, executive secretary, in her report commented on the development of a speakers bureau which has been called on for speakers by 12 local associations. Earl M. Schwemm, manager Great-West Life, Chicago, membership chairman, reported that while 3,000 members were noted at the Peoria midyear meeting, the present 2,740 are paid members. There are statewide plans to increase the number, he said. P. B. Hobbs, Equitable Society, Chicago, trustee National association, succeeds J. L. Taylor, Springfield, manager Mutual Life of New York, as legislative chairman.

The association is in excellent finan-

cial condition, Mr. Lauer reported, with about \$438 excess income over the \$900 disbursements and cash on hand now is \$750.

The nominating committee was headed by F. P. Beiriger, Rockford, Connecticut Mutual general agent and association past president.

### Insurance as Foundation for After the War Period Stressed by Governor

BOSTON—"The more life insurance you write today the better foundation you lay for the families of the country for the after war period," Governor Saltonstall of Massachusetts declared at the opening of the annual sales congress of the Boston Life Underwriters Association.

Over 600 filled the auditorium of the New England Mutual Life's home office building when the morning session was opened by President Owen D. Murphy, John Hancock general agent.

The program was staged by John Marshall Holcombe, Jr., and B. N. Woodson of the Sales Research Bureau, the theme being "American Life Insurance—An Investment in Freedom." Mr. Holcombe explained that the program's objective is not so much to give the life underwriters new ideas as is to give them new glasses so that they might see the present day world differently.

Mr. Woodson stressed regrouping on fundamentals, "to get more out of what we've got now; seeing enough people, working efficiently and sufficiently; prospecting continuously and effectively." Improvement in any one of the fundamentals reflects improvement in all, he stated.

Mr. Holcombe emphasized the seven main groups of prospects which should be cultivated today: (1) The larger income group. (2) Professional group. (3) Women—20 percent of ordinary sales today are to women. (4) Juvenile market. (5) Skilled workers. (6) Farmers, many of whom are well off, especially in the west. (7) Business income.

There is a big market all around us, Mr. Holcombe pointed out, but it is in war dress. There were never before so many changes and changes are the essence of prospecting.

Mr. Woodson emphasized the necessity of improving the technique of selling which is more essential in life insurance than any other business.

At the luncheon, provided by the Boston General Agents & Life Managers Association, J. Aanton de Haas, international relations expert, reviewed problems of today and of tomorrow as produced by the war.

### Galesburg, Ill., Caravan Meeting Is April 24

Frederick A. Schnell of Peoria, newly-elected president of the Illinois State Association of Life Underwriters, will be one of the speakers, and one of two Peorians, who will appear with the Illinois caravan of the state association at Hotel Custer, Galesburg, April 24. He will speak on state association work at the morning session. The other Peorian, Dr. James H. Pearce, will speak in the afternoon.

Guest speaker at the noon luncheon will be Hugh D. Hart, vice-president Illinois Bankers. Others with the caravan will be Lynn S. Broadus, Guardian Life, and J. D. Moynahan, Metropolitan, both of Chicago.

Mayor Lindberg will extend welcome and K. S. Hawkinson, president Galesburg Life Underwriters Association, will greet the agents attending. E. E.

Hinchliff will lead pre-meeting group singing.

D. D. Chidester will be chairman of the afternoon program, at which J. J. Herron, president Galesburg Chamber of Commerce, will extend greetings.

### Milwaukee Sales Congress Has Big Attendance

MILWAUKEE—About 200 life men from Milwaukee and a half dozen Wisconsin cities attended the sales congress of the Milwaukee Association of Life Underwriters here. Among the cities represented were Racine, Kenosha, Sheboygan, Manitowoc, Oshkosh and Madison.

Henry C. Fuller, Sr., Northwestern Mutual and president of the Milwaukee association, opened the congress and presided.

More war bonds purchased now by policyholders will mean fewer lapses after the war, Lowell P. Schwinger, Northwestern Mutual, Waterloo, Ia., said. Proper programming, he pointed out, permits the bond purchases and completion of the life insurance program.

Demonstrating a stock retirement presentation, Walter N. Hiller, Penn Mutual Life, Chicago, president of the Chicago association, was assisted by Jack Windsor, Milwaukee manager Connecticut Mutual Life, as the prospect. Mr. Hiller warned the underwriters not to reach too high too soon. They should start with small cases in which they can become thoroughly familiar with background facts before spending a lot of time and finally ending in failure because of unknown factors. A program for the executive of a close corporation should take care of acquiring the widow's interest through life insurance funds and permit the remaining owners to absorb the stock or select a new associate who would acquire the stock interest.

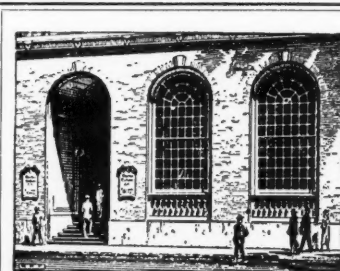
Jack Nussbaum, Massachusetts Mutual, presented an entertainment feature at the luncheon. Bert Nelson, Northwestern Mutual, chairman of the association's program committee, presided at the afternoon session.

"Priorities in Life Underwriting—1942" was discussed by C. J. Zimmerman, Chicago general agent for Connecticut. (CONTINUED ON LAST PAGE)

### New Illinois Association Officers



The new officers of the Illinois Association of Life Underwriters elected at the annual meeting in Chicago last Friday are shown herewith: T. E. Lauer, Northwestern Mutual, Joliet, secretary-treasurer, reelected; L. S. Broadus, Guardian Life, Chicago, second vice-president; F. A. Schnell, Penn Mutual, Peoria, president; W. B. Buckley, Metropolitan Life, Mount Vernon, first vice-president; A. E. McKeough, Occidental Life of California, Chicago, retiring president.



### The Boston Mutual LIFE INSURANCE CO.

51st Year of Service to the People of New England.

A Company of High Character and Standing.

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HOME OFFICE

**Boston, Mass.**

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# Sales Ideas and Suggestions

## Chicago Sales Congress Has Many Fine Features

A rip-roaring sales congress program which was put on by the Chicago Association of Life Underwriters last Saturday proved to be a perfect blend of inspirational material, advice as to successful sales methods and much humor and comedy. A record and very enthusiastic crowd attended the congress which was presided over by W. N. Hiller, Penn Mutual, association president, and E. W. Hughes, Massachusetts Mutual, and George Huth, Provident Mutual, as co-chairmen.

Perhaps the outstanding talk was that by Paul F. Clark, vice-president of John Hancock Mutual, on "What It Takes in 1942," expressing great optimism over the future of life insurance in war times. He presented figures showing startling, significant changes in flow of money in this country and in the shifting of national income under pressure of war conditions. Mr. Clark said agents must adjust themselves to this trend if they are to progress, but with confidence, enthusiasm and courage there will be adequate production for them.

### Tied in Closely with War

The problems of life insurance cannot be considered apart from the fact of war. Mr. Clark said. Agents should know what these problems are that worry people today and help them meet the difficulties through life insurance.

There are excellent grounds for believing that life insurance sales during the next few years may climb to new heights, Mr. Clark said, as occurred during other wars in American history. It is largely up to the agents, depending on how well they understand the minds of the prospects and the extent to which they adopt sound war time working plans.

In 1935-36 national income was approximately \$60,000,000,000. This income was distributed as follows to 39,458,300 homes or dwelling places occupied by families or individuals:

Group	No. in Group	% of Population	Income
A	927,000	2.4	Over \$5,000
B	1,818,000	4.6	\$3- 5,000
C	4,434,000	11.2	2- 3,000
D	13,920,000	35.3	1- 2,000
E	18,359,000	46.5	Under 1,000

In 1942 the national income will be approximately \$100,000,000,000. This income, according to the most reliable estimates, will be distributed to homes and other dwelling places occupied by families or individuals as follows:

Group	No. in Group	% of Population	Income
A	911,000	2.4	Over \$7,370
B	1,788,000	4.6	\$4,900- 7,370
C	4,360,000	11.2	3,720- 4,900
D	13,688,000	35.3	1,980- 3,710
E	18,053,000	46.5	Under 1,980

### What Happens to Group A

In 1935-36, those in Group A, receiving over \$5,000, spent, on the average, \$4,559 for "basic living costs"—food, clothing, shelter and medical care.

They averaged to spend \$799 in taxes. This left them to spend as they pleased for such items as automobiles, recreation, education, luxuries, savings and insurance, an average of \$7,224.

In 1942, the 2.4 percent of the population which represents the highest income group will receive more than \$7,370. This group will average to spend \$5,471 for basic living costs and \$3,196 for taxes, which will leave them an av-

erage of \$6,203 for optional spending power. This is a reduction in average optional spending power of \$1,021.

Group B, 4.6 percent of the population, which in 1935-36 had an average income of from \$3,000 to \$5,000, averaged to spend \$2,168 for basic living costs and \$20 for taxes, which left them \$1,466 to spend as they pleased.

In 1942, the 4.6 percent of the group that will receive from \$4,900 to \$7,370, will average to spend \$2,602 for basic living costs and \$380 for taxes, which will leave them an average of \$2,734 for optional spending power. This represents an increase in average optional spending power of \$1,268.

### Group C Is Larger Unit

Group C, 11.2 percent of the population, which in 1935-36 had an average income of from \$2,000 to \$3,000, spent \$1,594 for basic living costs and \$9 for taxes, which left them \$782 to spend as they pleased.

In 1942 this 11.2 percent of the population will receive from \$3,720 to \$4,900, and will spend \$1,913 for basic living costs and \$210 for taxes. This leaves them an average of \$2,128 for optional spending power. This represents an increase of \$1,346 in average optional spending power.

### Third of Population

Group E, 46.5 percent of the population, in 1935-36 had an average income of from \$1,000 to \$2,000. Of this amount they averaged to spend \$1,077 for basic living costs and \$5 for taxes, which left them \$324 to spend as they pleased.

In 1942, this 35.3 percent will spend its \$1,980 to \$3,710 as follows: \$1,292 for basic living costs and \$53 for taxes. This will leave them an average of \$1,435 for optional spending power, an increase of \$1,111.

### Group E Is Largest

Group EE, 46.5 percent of the population, spent its 1935-36 average income as follows: \$562 for basic living costs and \$3 for taxes. This left them \$24 to spend as they pleased.

In 1942 this 46.5 percent of the population will average to spend \$674 for basic living costs and \$10 for taxes, which will leave them an average of \$415 for optional spending power, an increase of \$391.

Total optional spending power in billions of dollars is as follows:

Group	1935-36	1942
A	6.7	5.7
B	2.7	4.9
C	3.5	9.3
D	4.5	19.6
E	.4	7.5

### Have Much More to Spend

An analysis of this table shows the vastly increased number of dollars the big population groups will have for optional spending in 1942.

The complete realignment makes the following changes in optional spending power (dollar figures are shown in millions):

Group	1935-36	% of Total
Group A	\$ 6,700	37.64
Group D	4,500	25.28
Group C	3,500	19.66
Group B	2,700	15.16
Group E	400	2.24
	\$17,800	

1942

Group	1942	% of Total
Group D	\$19,600	41.70
Group C	9,300	19.78
Group E	7,500	15.95
Group A	5,700	12.12
Group B	4,900	10.42
	\$47,000	

Joseph M. Gantz, Cincinnati general agent of Pacific Mutual Life, filled the place of Carroll C. Day, Oklahoma City general agent of that company who died recently. Mr. Gantz gave his famous talk on emotional selling, brought down to date to cover war conditions. He said the attack on Pearl Harbor did not cause men in this country to stop dying too soon and leaving their families without proper living provisions. People still are having tragedies here.

### Gantz Appeals to Emotions

It behooves the agent to dramatize his sales talk, to pack it with material that will excite human emotions, for that is the way people buy life insurance. However agents must recognize that they can't do much business any more with the so called carriage trade, for about 90 percent of the people in the country today are not in that classification. Many of the people who are the best prospects for agents now live on the "wrong side of the tracks." The problem is not with the American people, Mr. Gantz said, but with the life insurance agents.

A dramatic talk was made by Vernon C. Vining, sales manager Proctor Electric Company, Philadelphia, and sales consultant of Westinghouse Electric Company. It was filled with sound sales advice couched in homely terms. He suggested two types of insurance that have strong appeal now. One of these is to provide "that my boy coming back from the army will not be broke, will not face the necessity of starting over with nothing."

### View from Outside Business

"I can do it," Mr. Vining pointed out, "if I live. But I may not be here when he comes back. Put the protection on my life in his favor, on the life of his mother, or on anyone's life, but get it into effect."

Another need is a policy on the grandfather to provide an education for the child whose father is in the army. If agents sold only these two forms of policies they would justify themselves.

The agents, as other types of salesmen, are apt to forget several sales fundamentals. One is to mistake training in what they are selling for training in selling. The agent can study contracts and policies until he becomes an insurance expert, but this knowledge

is just a tool. It isn't going to sell the prospect. What the agent teaches the prospect about insurance gets him to buy, Mr. Vining said.

"We do not sell merchandise or insurance contracts, but it is necessary to sell me, the prospect, on reaching down into my pocket and spending money. The policy is not going to change, but the prospect does change."

### Presents Some Sound Advice

"Quit trying to read my mind. If you want to know something, ask me. Figure out before you come in what you want to know and then have the guts to ask questions. There is a school today that believes in indirectness. But let me point out that if I wanted to talk about golf or something else beside life insurance I wouldn't have asked you, the agent, in to see me. If you find out what I want I'll buy three times as much as you ever thought you would sell. Tell the whole story, and I'll sell myself."

"Another thing, don't pretend to know all the answers. Everyone hates such a person. If you say once in a while that you do not know, it flatters me. It indicates to me that I am such a shrewd buyer even experts can't answer some of my questions. Having established a reputation for honesty, you can lie like the devil the rest of the interview."

"Tell the whole story and let me judge which part fits me."

### Calls It Essential Vocation

Agents and other salesmen are worried about the importance of their vocation in wartime. "The thing you can do to help in the war is what you have been doing for years, only do it better," he said. "Life insurance agents are building funds to carry on the war, and are therefore participating very vitally in it. Agents make millions of contacts, and have a wonderful opportunity to help the war by passing on sane and courageous ideas to the public."

Talks on effective sales methods were given by five leading agents of Illinois. These were James Hack, New York Life, Peoria; Helen M. Zepp, Equitable Society, Chicago; Ralph Jacobsen, Metropolitan, Chicago; H. H. Gidel, Mutual Life of New York, Decatur, and Lieutenant J. S. Ferebee of the navy, Equitable Society, Chicago.

Lieutenant Ferebee before he entered the naval aviation service was a very successful producer of the Woody agency of Equitable Society in Chicago selling up to nearly \$1,000,000 in a year. He said there are no priorities in life insurance and people need it more than ever before. An important factor for the agents is that they cannot be forced out of the life insurance selling busi-



At the banquet—W. N. Hiller, president Chicago Association of Life Underwriters; Elmer Layden, "czar" of professional football and member of the famous Notre Dame "Four Horsemen," who was the principal speaker, and J. H. Brennan, president Life Agency Managers, who was toastmaster.

ness as perhaps can be done in many other lines by the government.

Much night work lies ahead for life agents, Ralph Jacobsen said, because the outstanding market is the workers class, especially those in defense industries, who are difficult for salesmen to reach in the daytime. These people are receiving higher wages than for many years and their need for life insurance protection is at least as great as that in the higher income brackets. They must be shown not only what life insurance is but what it will do. Its performance must be translated into the providing of bread and butter for the family, a place to sleep and rear children, savings for old age and a strong barrier against the wolf at the door.

"Start to cultivate a new class of prospects who can refer us to people working in factories, who in turn can refer us to people they work with," he said. "These people are interested in the benefits they get from social security. I doubt if many of them understand what they and their families will get at death or at retirement. We will have to plan small income programs which will dovetail with social security benefits and not only subsidize the family's income during the period when the children are dependent, but also provide for that important period when the widow receives no income from the time the youngest child is 18 until the widow is 65."

#### Wife Controls Purse Strings

He said it was important to bring the prospect's wife into the interview because she is the "cashier" and generally controls the sale. He felt it was easier to sell five, six or seven people a total of \$25,000 than it ever was to sell one man that amount. Mr. Jacobsen said it should not be difficult to persuade the wage earner that it is patriotic as well as necessary to protect his family so they will not become public charges and that a substantial part of his life insurance premiums will go to finance the war through life companies' purchase of defense bonds.

James Hack explained visual selling sales charts which he uses, drawn with various colors, each indicating a life situation. There are three charts, the first being a picture of the present insurance estate, the second a social security plan and third recommendations.

It is just as necessary for an agent to plow and cultivate his prospect crops as it is for the farmer to till his field, Mr. Gidel said. Modern farming requires the laying of careful plans, the securing of tested seed and proper preparation of the ground.

#### Draws Comparison with Farmer

An agent in his field can expect to do no less if he is to succeed. He must know his field, go over the tools available, cultivate the people's desire and appreciation for life insurance, living close to them. Finally he must work early and late to bring in the crop of applications. The harvest requires asking the people to buy, something that agents sometimes forget.

Helen Zepp commented on the great change in the women's market due to war conditions. Women are coming more and more into their own in business with the withdrawal of men for the armed forces, she said. It is a market of tremendous possibilities, but it requires that the agent give the women prospects a satisfactory answer to their old objection against buying life insurance and leaving money for someone to spend when they die. To meet this objection it is necessary to educate the women to a real understanding of what life insurance does.

The women's market is a permanent one and not merely temporary during the war, she said. Women have passed through the period of childhood and adolescence in business and now are adults and are presumed to be ready for adult responsibilities connected with world problems. Agents can help women to develop within themselves

a reason to own an adequate amount of life insurance. Practically all women have someone they love and would wish to leave money to.

## ASSOCIATIONS

(CONTINUED FROM PAGE 22)

ticut Mutual and past National association president, said the life underwriters have an opportunity to bring a certain degree of certainty to people in these days of uncertainty.

For the first time in history men are fighting for more than security or liberty or freedom, he said, but have them all in one package, and in America it is individual security and not state security that is at stake. Life insurance, he said, is the most perfect device by which the individual can have individual security and keep liberty and freedom.

An address on wartime responsibilities of the agent, was given by Paul Speicher, Indianapolis.

#### Gantz on New York Program

Joseph M. Gantz, general agent of Pacific Mutual Life at Cincinnati, has been added to the program of the New York State Life Underwriters Association's sales congress at Buffalo May 16. Those who will appear on the clinic, conducted by Clay W. Hamlin, general agent of Mutual Benefit Life at Buffalo, have been selected. The general topic will be overcoming resistance. C. D. Connell, Provident Mutual, New York City, will discuss overcoming the resistance of the average buyer; H. W. Hays, Massachusetts Mutual, Rochester, N. Y., that of the larger buyer; Paul C. Sanborn, Boston, the business buyer, and Ralph G. Engelsman, Penn Mutual Life, New York City, uncertainty.

#### Salt Lake City Congress May 8

SALT LAKE CITY—The annual sales congress of the Salt Lake City Association of Life Underwriters will be held May 8. Walter B. Furman, assistant manager of the Prudential ordinary office, and president of the association, has named John Tomlinson, superintendent of Prudential, general chairman.

The tentative list of speakers includes C. J. Zimmerman, general agent Connecticut Mutual, Chicago; James Rutherford, general agent of Penn Mutual, Seattle, and John W. Lawrence, manager of the ordinary office of Prudential at Salt Lake City.

#### St. Louis Wins Radio Contest

ST. LOUIS—The St. Louis Association of Life Underwriters team defeated Kansas City in the recent "quiz of two cities" broadcast over radio station KMOX, here, and KMBC, Kansas City. The St. Louis team was composed of Mrs. Alice Ahsen, Massachusetts Mutual; Mrs. Frankie Cook, John Hancock; Frank Vesser, Reliance Life, and Lester S. Becker, Lincoln National. Questions were of a general nature.

#### Hobbs Touring Oklahoma

A series of meetings was scheduled this week in various cities of Oklahoma, with P. B. Hobbs, manager of Equitable Society in Chicago and National trustee, as key speaker. His itinerary included: Wednesday, Stillwater and Ponca City; Thursday, Oklahoma City; Friday, Tulsa, with the Muskogee association attending, and Saturday, Enid.

#### Importance of Selling Stressed

KANSAS CITY—The American standard of living was not attained solely by the work of men of genius and inventors, Arthur D. Lynn of Scott & Lynn, general agents of Massachusetts Mutual here, said at the monthly meeting of the Life Underwriters Association of Kansas City. This standard has been achieved and maintained also through selling effort, he said. Creative

selling is necessary for the widest use of the best which industry makes available.

There are four fundamentals involved in the selling of life insurance, he said. Three of these are knowledge, faith and planning, and are important. However, the fourth, action, must be present or the other three dissipate and are of no value.

#### Turner in Dallas, Emporia

Prewitt B. Turner, Home Life, Kansas City, president Missouri Life Underwriters Association, will speak before the Dallas association April 24 and the Kansas state association in Emporia April 25 on "Priority Prospecting."

#### Pennsylvania Meet April 24

PITTSBURGH—The annual meeting of officers of the Pennsylvania Association of Life Underwriters will be held here April 24. The sales congress will be held the following day. Speakers will include Karl Kreder, manager Metropolitan, Charleroi, and membership chairman of the state association; G. W. Stewart, Penn Mutual, Pittsburgh, and Robert B. Coolidge, superintendent of agencies Aetna Life.

Jacksonville, Ill.—A joint session with the Springfield group was held at a dinner meeting which was addressed by Paul Speicher, Research & Review. Walter G. Meyers, National committeeman, brought greetings from the Jacksonville association.

Pittsburgh—The sales congress will be held May 14. Speakers will be B. N. Woodson and Ward Phelps of the Sales Research Bureau. This event officially closes the year of R. Maxwell Stevenson as president. Edward L. Sittler Jr., Mutual Life of New York, is general chairman.

The thorough training course in estate protection, taxation and business insurance was concluded with C. B. Metheny, manager Fidelity Mutual; Henry Cooper, Peoples-Pittsburgh Trust Company, and John A. Davis, Massachusetts Mutual, summarizing the lectures. Irvin Bendiner, New York Life, Philadelphia, and counsel for the Pennsylvania Association of Life Underwriters, gave the final lecture.

Birmingham, Ala.—Chester O. Fischer, vice-president of Massachusetts Mutual Life, spoke on "A Nation's Program for Victory" at a joint banquet with the Birmingham Chamber of Commerce. More than 100 delegates to the two-day regional convention of Massachusetts Mutual Life attended.

Portland, Ore.—L. J. Beaucage, Equitable Life of Iowa, is general chairman for the sales congress May 5. C. J. Zimmerman, Chicago, immediate past president of the National association, and Clifford L. Morris, Seattle manager of Phoenix Mutual Life, will speak.

Dayton, O.—Robert H. Denny, director of agencies of State Mutual Life, discussed "Getting Back to Fundamentals."

New directors are: Fern J. Blose, Equitable Society; W. S. Bunn, Mutual Life of New York; J. G. Witwer, Metropolitan; J. G. Holbrook, Connecticut Mutual; J. P. Burger, Metropolitan; W. C. Neff, Canada Life; Della L. Scholey, John Hancock; S. L. Deininger, New York Life; C. E. Drury, John Hancock; Harry Antrobus, Western & Southern; D. L. Ward, Prudential, and B. E. Cook, John Hancock.

The association recently voted to increase its directors from 10 to 12. Membership a year ago was 65 members, at present is 158.

Bloomington, Ill.—The monthly meeting will be held at a luncheon April 25.

Chattanooga, Tenn.—E. E. Brown, manager of Penn Mutual, and B. H. Odom, Phoenix Mutual, reported on the mid-year meeting of the National Association in Memphis. Mr. Brown was attending his first meeting in 13 months after recovering from a long illness.

Toledo—C. J. Zimmerman, Connecticut Mutual, Chicago, past president of the National association, spoke.

Columbus, O.—C. C. Wharff, New England Mutual, has been elected president;

Each hour during the past month, life insurance paid to American families nearly \$300,000, maintaining the constant flow of benefits to policyholders and beneficiaries which has come to have an important stabilizing influence on the national economy.

## Boynton Takes Over New Post in Baltimore

John W. Boynton now has assumed his new duties as general agent of the



J. W. Boynton

Boynton - Darby agency of Massachusetts Mutual Life in Baltimore. R. U. Darby, Baltimore general agent for the company for 25 years, will continue as associate general agent.

Mr. Boynton entered life insurance in 1930, starting with the Penn Mutual agency in Baltimore and later becoming head supervisor. In 1934 he became general agent of State Mutual, and last July joined Massachusetts Mutual as associate general agent in Baltimore. A graduate of Johns Hopkins University, he was a member of the United States Olympic lacrosse team in 1928.

## Ellis Featured Speaker for Pan-American Day

In observance of Pan-American Day in New Orleans a luncheon attended by consular representatives of 21 Latin American republics was held and a banquet was given under the auspices of the public school council on education. As feature speaker at the luncheon celebration, Crawford H. Ellis, president Pan-American Life, urged the strengthening of the solidarity of the Pan-American countries. He said: "The western hemisphere must be prepared to meet the war which will certainly be thrust upon our very doors and the 21 American republics should work as a unit in this preparation. We've got a fight on our hands and every effort must be made to protect every American country from the Axis enemies of the world."

## Suit Against Underwriters Life

DALLAS—The suit of George H. Dear, policyholder in the old Globe Life, which was taken over by Underwriters Life in 1937, against the latter company was not heard on April 17 when the hearing was set. Defendants asked that the case be transferred to Waco from the Dallas district court.

Dear's suit asks a restraining order against officials of Underwriters Life to prevent them from levying unauthorized premium charges and assessments against Globe policyholders. Dear charges that Underwriters Life after levying excessive contingent premiums against Globe policies, instead of placing such contingencies in the mortality fund as is called for under the reinsurance agreement, diverted part of those funds for expenses.

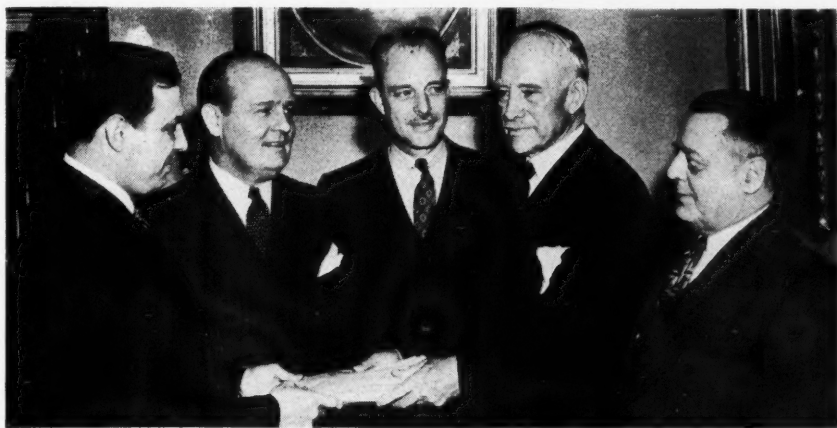
Globe Life had 1,700 policyholders.

## Columbian National Leaders

William Schlesinger, general agent Columbian National Life in New York City, has become president of the Star Producers, which is the company's leading production club. He turned in over \$1,000,000 of paid personal business last year. The vice-president is R. A. Freeman of Idaho Falls, Ida., who paid for the largest number of lives, W. S. Vogel, general agent at Newark, N. J., was the first to fulfill all requirements for club membership and becomes secretary.

John H. Winters, Mutual Life, vice-president; Ely D. Miller, Provident Mutual, secretary, and J. Boyd Davis, Penn Mutual, treasurer. Directors are: Rudolph G. Leuzinger, Ohio State Life; Floyd L. Turner, Connecticut General; Harry P. Geyer, Western & Southern; Bertram F. White, Massachusetts Mutual.





The executive committee of the insurance division of the Kings County defense bond committee delivering signed pledges of 100 percent of all employees in Brooklyn's 261 insurance offices. Left to right—Noel D. Maxcy, general agent Equitable Society; Alfred J. Johannsen, general agent Northwestern Mutual; Gilbert V. Austin, general agent Aetna Life; Edwin P. Maynard, chairman Kings county defense bond committee; and William F. Itner of Valentine, Itner & Poggenburg. Lloyd F. Bowne, Benedict & Benedict, was absent.



H. W. Manning, general manager of Great-West Life is pictured in his office reading over Great-West accident policy number 1 which was issued to him April 1.

Great-West Life will issue a full range of accident contracts with all the up-to-date provisions, such as the popular reimbursement and weekly indemnity features. In addition, a limited range of health policies will be offered.



Ethelbert Ide Low, board chairman of Home Life of New York at his desk on his 25th service anniversary. He first became associated with the Home in 1917 as a director, and in 1924, he was elected president. In 1929 he assumed his present post.



President A. N. Mitchell of Canada Life is shown presenting the President's Award Trophy to the winner, Manager John MacKinnon, New Brunswick-P.E.I. branch. Based on factors which reflect efficiency in branch management, this award is the highest honor which can be earned by a Canada Life manager on this continent.

Superintendent Pink of New York and Edward R. Gettings, Albany general agent Northwestern Mutual, president New York State Association of Life Underwriters, at managerial conference at Saratoga Springs, N. Y.



The Life Underwriters Association of Kansas City has appointed a wartime committee to cooperate in the sale of defense bonds and with the Missouri association in planning for its annual meeting in Kansas City, May 19-20.

Front Row: R. G. Denison, Metropolitan; Ray S. Robinson, Provident Mutual; Earl G. Mercer, Lincoln National; J. F. Trotter, Mutual Life, chairman; R. J. Costigan, Business Men's Assurance; John R. Miller, Columbian National; Jack D. McInnes, Kansas City Life.

Back Row: Samuel Marsh, Northwestern Mutual; R. B. Westover, Aetna Life; Paul C. French, New York Life; Glen S. Baker, Prudential; R. A. Hasek, National Life of Vt.; C. W. Scott, Massachusetts Mutual; E. G. Nura, New England Mutual; Prewitt B. Turner, Home Life of New York, president state association; W. L. Butler, Business Men's Assurance, president Kansas City association; W. Verne Wilkin, Union Central; R. E. Watts, Pacific Mutual and K. E. Warden, Connecticut General.

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